



Daily Report

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Daily Report

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General

Spokesman on Dalai Lama, Relations With Vatican

OW1009141693 Beijing Central People's Radio in Mandarin to Taiwan 2200 GMT 9 Sep 93

[From the "News and Current Events" program—passages within quotation marks recorded]

[Excerpts] Listeners, Chinese Foreign Ministry spokesman Wu Jianmin held a press conference in Beijing on 9 September to release news about Chinese-foreign contacts in the near future. He also answered reporters' questions. [passage omitted]

A reporter asked: The Dalai Lama's younger brother recently issued a statement saying that the Dalai Lama is ready to make contact with the Chinese ambassador to India. Does this mean China will make contact with the Dalai Lama soon? The spokesman said the Chinese Government's door for talks with the Dalai himself is open.

[Wu] "The central government's channel for contact with the representative of the Dalai Lama is open and its door for talks with the Dalai Lama himself is also open. We hope that the Dalai Lama will abandon his stand for an independent Tibet in order to create a good atmosphere for contact and talks with the central government."

In response to a reporter's question on how he appraises relations between China and the Vatican, the spokesman said China is ready to improve its relations with the Vatican.

[Wu] "The Vatican side must recognize that there is only one China and that Taiwan is a part of China, and at the same time stop interfering in China's internal affairs."

Delegate Addresses Cambodian Reconstruction Meeting

OW0809172093 Beijing XINHUA in English 1629 GMT 8 Sep 93

[Text] Paris, September 8 (XINHUA)—China, as a close neighbor of Cambodia, will make active efforts in the later's restoration and reconstruction, said the Chinese delegation at an Aid-Cambodia meeting here today.

Addressing the first session of the International Conference on the Reconstruction of Cambodia which was opened today, Fu Xuezhong, head of the Chinese delegation said that great progress has been achieved for the past year in the peace process in Cambodia, especially the successful election and the establishment of the national interim government of Cambodia which have promoted the nation's reconciliation, stability and peace, and created the basic conditions for the nation's restoration and reconstruction.

Fu, who is also the former delegate of China to the Supreme National Council of Cambodia, noted that it was

the Cambodian people's ardent hope and the interim government's task to heal the war wounds and rebuild the country at an early date.

He told the meeting that China would undertake four projects in Cambodia, including the partial rebuilding of the facilities in the Phnom Penh Kompoul Agricultural School, restoring the production of the Phnom Penh No. 2 Pharmaceutical Factory, digging 500 wells and training 60 epidemic prevention doctors.

He added that China has also provided rice, medicine and cloth in assistance to the Cambodian Supreme National Council.

He expressed that in the future, China would try its best to provide further assistance and conduct economic and technical cooperations with the nation.

China also likes to make bilateral and multilateral cooperations with other countries and international organizations in efforts to help Cambodia's reconstruction, Fu said.

Fu said that he had the confidence that under the leadership of Prince Norodom Sihanouk and the assistance of the international community, the Cambodian people will overcome their difficulties in the reconstruction.

Notes Plans for Assistance

OW0909042993 Beijing XINHUA Domestic Service in Chinese 1609 GMT 8 Sep 93

[By reporter Xu Zhenqiang (1776 2182 1730)]

[Text] Paris, 8 Sep (XINHUA)—Fu Xuezhong, head of the Chinese delegation attending the first session of the international conference on the reconstruction of Cambodia, which opened in Paris today, and who is also the former PRC representative to the Supreme National Council of Cambodia, told the plenary meeting this afternoon that China, as a friendly and close neighbor of Cambodia, will make active efforts in Cambodia's restoration and reconstruction.

Fu Xuezhong said: Great progress has been achieved during the past year in the Cambodian peace process. The successful completion of the general election and the establishment of the national interim government in Cambodia, in particular, have promoted Cambodia's national reconciliation, stability, and peace, and have created the basic conditions for Cambodia's restoration and reconstruction. To heal the war wounds and rebuild the country at an early date is the ardent hope of the Cambodian people as well as an important task facing the interim government.

Fu Xuezhong told the meeting: After consulting with the national interim government of Cambodia, China will undertake four projects in Cambodia, including the partial rebuilding of the facilities in the Phnom Penh Kompoul Agricultural School, restoring the production of the Phnom Penh No. 2 Pharmaceutical Factory, digging 500 wells, and helping to train 60 epidemic-prevention personnel in Cambodia. At present, both the Chinese and

Cambodian sides are working closely to ensure the early implementation of these projects. In addition, China has also provided free assistance in terms of rice, medicine, and cloth to the Cambodian Supreme National Council.

He stated that in light of Cambodia's actual needs, China will try its best to continue to provide assistance to Cambodia in the fields of agriculture, culture, education, and public health, and to launch multiple forms of economic and technological cooperation with it. China will also like to carry out bilateral or multilateral cooperation with international organizations and other countries to make positive efforts and contributions to Cambodia's restoration and reconstruction.

ASEAN Secretary General Stresses Mechanism for Ties

OW0809090593 Beijing XINHUA in English 0825
GMT 8 Sep 93

[Text] Bali, Indonesia, September 8 (XINHUA)—Secretary General of the Association of Southeast Asian Nations (ASEAN) Ajit Singh said here today that the establishment of a formal mechanism to institutionalize the relationship between ASEAN and China is the most important step.

Ajit Singh, who is here to attend the Pacific Rim Forum Conference, told XINHUA in an exclusive interview that the bilateral relations between ASEAN and China have developed steadily. The two sides have been cooperated closely in the past in bringing peace and stability in the region and solving the problem in Cambodia.

"Both ASEAN and China have important roles to play here. We would like to proceed ourselves as partners in this effort to further strengthen the cooperative relations with the other Asian-Pacific countries in this region," he said.

Ajit Singh, who will lead the ASEAN delegation to visit Beijing on September 13 for official talks with Chinese Foreign Ministry officials, noted that the desire of China for friendly relations with all countries on the principles of coexistence and a peaceful environment for economic development is also the desire of the ASEAN.

Talking about the desire of ASEAN members to establish more closer links on economic cooperation, Ajit Singh said that ASEAN's decision to establish a free trade area in 15 years is one of the most important economic initiatives that the ASEAN has taken. It reflected the changing political and economic situation in the region.

He also revealed that ASEAN has explored the possibility to establish wider relations with other regional organizations.

Beijing Hosts Transnational Corporations Conference

OW0609085393 Beijing XINHUA in English 0833
GMT 6 Sep 93

[Text] Beijing, September 6 (XINHUA)—Senior officials from nearly 50 world-famous transnational corporations

will attend an international conference scheduled to open here Thursday [9 September].

The conference, jointly sponsored by China's Ministry of Foreign Trade and Economic Co-operation and the United Nations Conference on Trade and Development, is designed to evaluate China's policies as regards the use of foreign capital and its investment environment, share experiences in transnational management and introduce the world-class corporations' strategies for overseas investment as well as their investment policies for China.

Ma Xiuhong, a deputy director of the foreign investment administration under the Ministry of Foreign Trade and Economic Co-operation, said here today that the symposium will also hear participants' suggestions and opinions on China's further opening to the outside world and improvement of its investment climate.

According to her, Kenneth Dadzie, secretary general of the U.N. Conference on Trade and Development, and British Professor John Dunning from Reading University will be among the participants.

She said that the symposium will help China improve its policies as regards attracting foreign investment, especially investment from large transnational corporations.

Li Lanqing, Wu Yi Speak

OW0909112693 Beijing XINHUA in English 0948
GMT 9 Sep 93

[Text] Beijing, September 9 (XINHUA)—Senior officials from over 50 world-renowned transnational corporations and the U.N. Conference on Trade and Development (UNCTAD) gathered here today to explore ways to promote investment in China.

Also attending the International Conference on Transnational Corporations and China were Chinese economists, financiers and enterprise heads.

Chinese Vice-Premier Li Lanqing, on behalf of the Chinese Government, extended a warm welcome to the UNCTAD's Secretary General K.K.S. Dadzie and to other participants from the U.N., the United States, Netherlands, Australia, Japan, Germany, Italy, Sweden, Switzerland, Britain, Korea and Hong Kong.

Speaking at the opening of the meeting, Li said that the conference is a clear indication of China's determination to adhere to its policy of reform and opening to the outside world, and an expression of China's aspirations and enthusiasm in increasing cooperation with transnational corporations all over the world.

Li said that China will continue to open its door to the world in conformity with the rights and duties stipulated in the General Agreement on Tariffs and Trade (GATT), and follow international practices to further improve its environment for foreign investment.

The vice-premier said that China will also make better use of funds, resources, technology and managerial skills from abroad.

Dadzie said that in 1987, the Chinese Government, together with the U.N. Center on Transnational Corporations, held a similar conference, which proved useful for the country's later development.

He said that this year's conference will seek to assess China's regulatory framework for foreign investment from a different perspective, namely that of transnational corporations. It will also analyze foreign direct investment in the context of global trends and the changing strategies and structures of transnational corporations.

The secretary general said that as the discussions will provide new perspectives on policy options, the conference should make a contribution to the efforts of the Chinese Government to integrate the country more effectively into the world economy.

Chinese Minister of Foreign Trade and Economic Cooperation Wu Yi told the conference that China is making great efforts to see that its existing policies on foreign investment are more in line with related GATT regulations and international practices, including taxation policies, mechanisms for equal competition, national treatment, and simplifying the approval procedure for joint ventures and enterprises with foreign investment.

Wu expressed her sincere hope that all the delegates put forward advice and suggestions on the promotion of transnational corporations' investment in China.

The conference was jointly sponsored by the Ministry of Foreign Trade and Economic Cooperation and the UNCTAD.

China's top leader is expected to meet some conference participants during the session.

Official Notes Investment Increase

OW0909121093 Beijing XINHUA in English 1148
GMT 9 Sep 93

[Text] Beijing, September 9 (XINHUA)—A senior Chinese trade official said here today that investment from transnational corporations in China has increased sharply in recent years.

Jiao Sufen, director of the Foreign Investment Administration Department of the Ministry of Foreign Trade and Economic Cooperation, told an international conference that to date, hundreds of transnational corporations from North America, Europe, Oceania and Asia have started businesses in China.

The fields of investment cover agriculture, light industry, textiles, food processing, machinery, electronics, chemicals, transportation, building materials, and pharmaceuticals, as well as hotels, restaurants, finance, commerce and trade services.

She said that foreign-funded enterprises in China have dominated the country's manufacturing of cars, elevators, computer-controlled switch-boards and optical fibers and cables.

Coca-Cola drinks and Western fast food restaurants are also popular in China, she said.

Among the 500 largest transnational firms in the United States, 52 have invested in more than 30 Chinese ventures in offshore oil exploitation and 26 other trades. The contracted value of investment has reached 3.66 billion U.S. dollars, about half of the total U.S. investment in China.

Jiao, also a senior economist, said that transnational corporations' recent investment in China has had the following strategic features:

- Focused on long-term goals: Almost all transnational firms proceed from long-term benefits like rates of profit and investment when they make decisions on direct investment projects in China.
- Prudence in investment decision-making: Judging from the present situation, transnational corporations, especially large firms, are still exploratory in their investment in China.
- Capturing the Chinese market as an investment goal: Many transnational direct investment projects aim mainly at selling their products in China.
- Relatively good overall economic and social benefits: Many enterprises with investment from transnational corporations in China secure higher productivity, profit rates and overall economic benefits for them.
- Requiring holdings for direct investment enterprises: Most transnational corporations attach much importance to their holding rights over the ventures, require the founding of holding companies to integrate the enterprises' production with global operation strategies.

Investment Companies Permitted

OW0909144993 Beijing XINHUA in English 1427
GMT 9 Sep 93

[Text] Beijing, September 9 (XINHUA)—A senior Chinese foreign trade official said here today that China will allow transnational firms to set up investment companies in this country.

The investment companies will be allowed to have a wider scope of operation, including multi-trade, multi-domain, and cross-regional investment and management.

Jiao Sufen, director of the Foreign Investment Administration of the Ministry of Foreign Trade and Economic Cooperation (MOFTEC), said this at an international seminar here today.

She said regulations for the approval and administration of such investment companies are now under proper consideration in order to attract mainly transnational firms to set up these companies.

Relevant departments are considering removal of limits on the scope of operation of such firms. The study will also involve measures to encourage transnational firms to set

up in China their regional administrative and supervising offices as Asia-Pacific or Asian headquarters, she said.

In recent years, many trans-national corporations wanted to set up in China their regional investment companies to carry out their FDI (foreign direct investment) plans and supervise their investment operations here, she said, adding that MOFTEC has approved a few such companies as a sort of trial.

Results are generally good and they have promoted investments from these corporations, she said.

Jiao put forward a set of suggestions aimed at inviting investments in China by trans-national firms.

Her suggestions include: Encouraging trans-national firms to invest in capital-and-technology-intensive projects, expanding the scope of investment, encouraging the setting up of stock-holding companies, helping to solve the problem of foreign exchange shortage and intensifying investment promotion.

Jiao said that for investors with advanced technology, the Chinese Government should allow them to sell part or whole of their products in China, in addition to granting them special tax exemptions, and obtain foreign currency through marketing.

In 1992 there was a rapid growth of foreign investment in the service industries of China, she said. In some places, FDI enterprises were approved to enter retail business as a trial project. The domains of financing, insurance, aviation, consulting services, fiscal accounting and quality authentication are also to be opened to international investors step by step.

Those practices have offered more opportunities and areas for trans-national firms to invest in China and implement their global development strategies, she said.

On encouraging the founding of joint stock companies, Jiao said that more than 20 FDI joint stock companies have entered the Shanghai and Shenzhen stock markets. Many medium and large state-owned enterprises issued stock to absorb foreign capital. These practices have offered new opportunities for foreign investors to expand their business in China. The country is trying to expand and improve its security markets to issue abroad more B stocks of China's state-owned enterprises, she noted.

To help solve the problem of foreign exchange balance problems, China's state central bank has been directly involved in the operation of China's foreign exchange coordination markets, applying economic measures to ease imbalance between demand and supply and maintain the relative stability of the coordination market, she said.

A national computer network will be completed to unify the coordination markets in different regions for foreign-invested enterprises to make cross-regional foreign exchange transactions easier, she said.

Chinese economists and trade officials hold that in spite of the achievements gained in the past 14 years, there are still

shortcomings. For example, the size of the projects with such investments is relatively small and the level of technology and quality of the products is lower than that of their overseas counterparts.

Jiao suggested that the Chinese Government, while endeavoring to improve China's environments for its existing foreign-invested enterprises, should improve its promotion work, invite international bids for large projects, and strengthen its contact with international organizations, foreign government and non-governmental institutions and enterprises to attract more investments.

CHINA DAILY on Investment Environment

HK1009103993 Beijing CHINA DAILY in English
10 Sep 93 p 1

[By CHINA DAILY staff reporter Gao Anming: "Larger Slice of Market Promised to Big Firms"]

[Text] In another move to open up the country to the outside, the Chinese Government is set to give a larger share of the domestic market to foreign transnational corporations.

The government will also take steps to improve its overseas investment policies and make them more compatible with international norms, a top Chinese trade official said yesterday.

This dearth of multinational investment is indicated by the investment volume of U.S. transnationals in China, which accounted for a mere 1 per cent of their total overseas investment during the past 13 years.

Wu Yi, Minister of Foreign Trade and Economic Cooperation (Moftec), told an international seminar on transnational corporations that China particularly wants large foreign multinational companies to invest in capital- and technology-intensive businesses.

Meanwhile, the government will not cut back its support for small- and medium-sized foreign companies. It will establish more industrial parks for these enterprises, Wu said.

However, the minister did not specify exactly how much more the government will open up its domestic market.

She said the country has increased its foreign investment-related legislation. It is currently drafting a foreign trade law, corporate law, antidumping law and mortgage law.

The government has also set about formulating new policies on taxation, fair competition and equal treatment, and is simplifying the procedures for ratifying foreign-invested businesses.

The seminar, jointly sponsored by Moftec, University of International Business and Economics and United Nations Conference on Trade and Development (Unctad), was attended by more than 200 people representing nearly 50 world-famous transnational corporations, Chinese government departments and local foreign trade officials.

Motorola, Pepsi-Cola, Hewlett Packard and AT&T of the United States, Matsushita, Toshiba and Mitsui of Japan, and Siemens and BMW of Germany were among the big-name companies present at the seminar.

The seminar is scheduled to run through tomorrow.

Chinese Vice-Premier Li Lanqing said at the opening ceremony that strengthening China's economic and technological co-operation with transnational corporations will benefit not only China and its foreign partners but also the world economy as a whole.

Jiao Sufen, head of Moftec's foreign investment department, said foreign transnational corporations, the big ones in particular, are only beginning to enter the Chinese market.

To change that, Jiao said the government is working on regulations on approving and supervising investment companies set up by transnational corporations in the country.

The government is also considering allowing them to open holding companies.

Jiang, Wu Yi Meet UNCTAD Official

OW1009082293 Beijing XINHUA in English 0756
GMT 10 Sep 93

[Text] Beijing, September 10 (XINHUA)—Chinese President Jiang Zemin said here today that China welcomes more transnational corporations to invest in the country.

He made the remark here this morning when meeting with K.K.S. Dadzie, secretary general of the UN Conference on Trade and Development (UNCTAD) and other participants in an international conference on transnational corporations and China, which opened here Thursday [9 September].

Jiang referred to the conference as a major one, saying that it will promote investment by big transnational firms in China.

He said that China has made great achievements in the absorption of foreign investment over the past decade, by approving a total of more than 130,000 projects with foreign investment and using a total of over 40 billion U.S. dollars of foreign capital.

Nevertheless, he said, the investment from the transnational corporations amounts to only a small proportion of their total overseas investment. Therefore, he said, he hoped that UNCTAD and the UN Center on Transnational Corporations would play a bigger role in helping to promote investment by large firms in China.

Dadzie said that the conference, jointly sponsored by the Chinese Ministry of Foreign Trade and Economic Cooperation and UNCTAD, will make a great contribution to the efforts of the Chinese Government to improve the country's investment environment and to integrate the Chinese economy more effectively with the world economy.

Chinese Minister of Foreign Trade and Economic Cooperation Wu Yi was present at the meeting.

IBM, NEC Among Exhibitors at Beijing Computer Show

OW0609080693 Beijing XINHUA in English 0740
GMT 6 Sep 93

[Text] Beijing, September 6 (XINHUA)—A large computer exhibition, at which the world's best-known companies in the field are represented, opened here today at the Beijing International Exhibition Center.

The exhibition, called the '93 China Computer World Expo & Conference, has attracted more than 100 Chinese and foreign computer companies to its exhibition area of 7,000 sq m [square meters].

The exhibits include medium-sized and small computer systems, engineering workstations, various types of newly-developed micro-computers and related supplies, software and network products, of which a considerable part is up to the world's most advanced level.

During the four-day exhibition some 10 leading foreign companies will give public lectures on special subjects such as the latest operation systems, multi-media computers and multi-media application, and micro-computers of the new generation.

The United States' IBM, Microsoft, Apple, Hewlett-Packard and SGI companies, Japan's NEC, Sony, Mitsubishi and Toshiba as well as Germany's Siemens and many other overseas computer companies are all presenting their latest products and technologies at the exhibition.

Computer companies on the Chinese mainland are also actively participating in the four-day exhibition.

Li Lanqing To Head Beijing's Olympic Bid Delegation

OW0909110193 Beijing XINHUA in English 0940
GMT 9 Sep 93

[Text] Beijing, September 9 (XINHUA)—A Beijing Olympic bid delegation headed by Chinese Vice-Premier Li Lanqing will attend the International Olympic Committee [IOC] meeting in Monte Carlo on September 23, the Beijing 2000 Olympic Games Bid Committee (BOBICO) announced here Thursday [9 September].

BOBICO Spokesman Wu Zhongyuan said that the vice-premier is the honorary head and BOBICO President Chen Xitong is the head of the delegation with some 200 members.

The deputy heads are the Sports Minister Wu Shaoyu, Mayor of Beijing Li Qiyang, Chinese Olympic Committee President He Zhenliang and Beijing's Vice-Mayor Zhang Baifa.

The advisers of the delegation are Henry Ying Tung Fok, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, Zeng Jianhui, director of the Information Office of the State Council, Liu

Jibin, vice-minister of finance, He Luli, vice-mayor of Beijing, Cai Fangbo, Chinese ambassador to France, Yan Sanzhong, deputy general manager of the China Petrochemical Corporation.

The delegation also includes BOBICO officials, representatives of sports, arts and enterprises, and personalities from Hong Kong and Overseas Chinese.

Also in the delegation are China's Olympic gold medalists Li Ning, Xu Haifeng, Zhang Shan, Deng Yaping, Gao Min, Fu Mingxia, Lu Li, Li Xiaoshuang, Yang Wenyi and world champion Huang Zhihong and a children's chorus.

China's media has shown great interests in the event, sending 74 journalists to Monte Carlo to cover the event.

The Chinese delegation is scheduled to leave here on a chartered plane on September 16.

A total of 70 IOC members have so far visited Beijing, Wu said.

The other candidate cities for the 2000 games are Berlin, Manchester, Sydney and Istanbul.

Chen Xitong Holds Talks With Dutch IOC Member

OW0809152893 Beijing XINHUA in English 1516 GMT 8 Sep 93

[Text] Beijing, September 8 (XINHUA)—Chen Xitong, president of the Beijing 2000 Olympic Games Bid Committee (BOBICO) met Anton Geesink, the Dutch member of the International Olympic Committee [IOC], and his wife here Wednesday [8 September] evening.

Also at the meeting was Zhang Baifa, BOBICO's executive vice-president.

The visiting guest wished Beijing good luck in its bid for the 2000 Olympics.

Jiang Zemin Removes, Appoints Ambassadors

OW1009085893 Beijing XINHUA in English 0757 GMT 10 Sep 93

[Text] Beijing, September 10 (XINHUA)—Chinese President Jiang Zemin, in accordance with decisions made by the Standing Committee of the National People's Congress (NPC), has made the following appointments and removals of ambassadors:

Guo Jing'an is relieved of his post as ambassador extraordinary and plenipotentiary of the People's Republic of China to the Republic of Ghana.

Zhang Dezheng is appointed ambassador extraordinary and plenipotentiary of the People's Republic of China to the Republic of Ghana.

Wu Jiasen is relieved of his post as ambassador extraordinary and plenipotentiary of the People's Republic of China to Burkina Faso.

Li Yongqian is appointed ambassador extraordinary and plenipotentiary of the People's Republic of China to Burkina Faso.

Xu Yicong is relieved of his post as ambassador extraordinary and plenipotentiary of the People's Republic of China to the Republic of Ecuador.

Yang Binwei is appointed ambassador extraordinary and plenipotentiary of the People's Republic of China to the Republic of Ecuador.

Chen Jiuchang is relieved of his post as ambassador extraordinary and plenipotentiary of the People's Republic of China to the Republic of Cuba.

Xu Yicong is appointed ambassador extraordinary and plenipotentiary of the People's Republic of China to the Republic of Cuba.

Dai Shiqi is relieved of his post as ambassador extraordinary and plenipotentiary of the People's Republic of China to the Republic of Peru.

Chen Jiuchang is appointed ambassador extraordinary and plenipotentiary of the People's Republic of China to the Republic of Peru.

Chen Di is relieved of his post as ambassador extraordinary and plenipotentiary of the People's Republic of China to the Republic of Lithuania.

Wang Zhaoxian is appointed ambassador extraordinary and plenipotentiary of the People's Republic of China to the Republic of Lithuania.

Chang Deguang is relieved of his post as ambassador extraordinary and plenipotentiary of the People's Republic of China to the Republic of Kazakhstan.

Chen Di is appointed ambassador extraordinary and plenipotentiary of the People's Republic of China to the Republic of Kazakhstan.

ROK, U.S. Await DPRK's Action on Nuclear Issue

OW1009104493 Beijing XINHUA in English 1010 GMT 10 Sep 93

[Text] Seoul, September 10 (XINHUA)—South Korea and the United States decided to continue to wait and see the actions of the Democratic People's Republic of Korea (DPRK) before another round of high-level talks between Washington and Pyongyang to solve the DPRK's nuclear issue, a Foreign Ministry official said here Friday [10 September].

The decision was made at the end of the talks between South Korean Assistant Foreign Minister Sin Ki-pock and visiting U.S. Assistant Secretary of State for Political-Military Affairs Robert Gallucci here Friday morning.

Gallucci, chief U.S.-side negotiator in high-level talks with the DPRK, arrived here Thursday evening for coordinating stand with South Korean side on the solution to Pyongyang's nuclear problem.

"South Korea and the U.S. agreed that two channels of negotiations, one between North Korea and the International Atomic Energy Agency (IAEA) and the other between North and South Korea, must precede the third round of talks between Washington and Pyongyang," the official said.

The two sides hold that conditions have not been satisfied for the third-round talks, and whether the talks will be held depending on what the DPRK chooses to do, he noted.

The U.S. and the DPRK agreed to hold the third round of their high-level talks within two months in Geneva on July 19.

Friday's session was the first of a series of Seoul-Washington consultations set for Gallucci's five-day visit.

The U.S. official will also meet President Kim Yong-sam and Foreign Minister Han Sung-chu as well as other South Korean officials.

United States & Canada

Developments in, Comment on Yinhe Incident

Owners Demand Apology, Compensation

OW1009132793 Beijing XINHUA in English 1304 GMT 10 Sep 93

[Text] Beijing, September 10 (XINHUA)—The China Ocean Shipping (Group) Company (COSCO) strongly demanded today that the United States make a public apology, acknowledge its erroneous conduct and compensate for all losses incurred in the Yinhe incident.

In a press conference held this afternoon, a spokesman for COSCO detailed to the media the process of the inspection conducted by the representatives from China and Saudi Arabia and technical experts from the United States and showed copies of the inspection report signed by the three sides.

"The results of this exhaustive inspection determined that the Yinhe did not carry thiodiglycol and thionylchloride," the U.S. accused banned chemicals, the spokesman said. "The containers bound for Iran contained general cargo such as stationery, metal fittings and machinery spare parts."

He said that because of the unwarranted accusation and unjustifiable obstruction of the United States, the Yinhe was delayed for 33 days, counting from August 2 when the ship dropped anchor at the east entrance of the Strait of Hormuz to September 4 when the inspection was completed at the port of Damman, Saudi Arabia. The incident has caused economic losses accumulating to 12.93 million U.S. dollars to Cosco, according to the spokesman.

According to a list provided at the conference, the losses include the fixed cost of the ship; additional expenditure on the ship's bunker and fresh water supply at anchorage; consumption of fuel oil and fresh water by the ship;

container expenses; expenditure for Kuwaiti cargo transhipped at the port of Damman and additional communications expenses.

The list also includes claims for physical and mental harms to the seamen on board the ship; the freight losses sustained from cancellation of calls at the ports of Singapore, Surabaya and Hong Kong as the result of falling behind schedule; the transshipment charges in Hong Kong for the delay of voyage; cargo damage and cargo shortage caused from the inspection; and the damaged reputation suffered from the Yinhe incident.

"The delay of the scheduled liner service has postponed cargo delivery and has marred our reputation for punctuality for many years in the container service between China and the Persian Gulf," the spokesman said.

He said that since the consignees were unable to pick up goods at destination ports, some of them had reported to the local chambers of commerce while some directly claimed indemnity from the company.

The Yinhe incident has not only brought about troubles and business losses to cargo owners, but has also caused the company to suffer a drastic drop in cargo volume in its Persian Gulf service, and also in other services, which is a great loss that "even millions upon millions dollars can not make good," he said.

The spokesman said that the long period drifting on the sea and the monitoring and harassing by U.S. warships and military aircraft reduced many of the crew members to depression and irritability, ruining their health physically and psychologically. And also made the seamen's families feel worried and anxious day and night about their health and security.

The whole complement of Yinhe consists of 38 persons. According to its captain's report, as the vessel could not unload at the predetermined ports as scheduled, food and fresh water could not be supplied in time to the ship.

In order to maintain life, each day the crew had to limit the use of the only fresh water remaining on board, and their lives met great difficulties, the spokesman said.

In addition to that, he added, the bitter experience of the Yinhe crew has brought worries to other COSCO seamen who are sailing throughout the world and who may suffer the same if the freedom of navigation in international waters remains at risk.

"As a result, it is not hard to imagine the difficult situation we are facing as a shipping company, in regard to the troubles of the management and the high pressure of enormous costs," he said.

He stated that as the direct aggrieved party of the Yinhe incident, COSCO firmly supports the strong protest lodged against the U.S. and the solemn and just statement made by the Chinese Ministry of Foreign Affairs, and COSCO reserves all rights to claim indemnity from the U.S.

He said Cosco will as always abide by the international laws and regulations to conduct fair international trade and transportation.

COSCO is the largest shipping enterprise in China. Engaged mainly in international sea transportation, it owns and operates an ocean fleet with 547 vessels of about 16 million deadweight tons, which call at more than 1,100 ports in the world.

Beijing TV on Compensation Demand

*OW1009122893 Beijing Central Television Program
One Network in Mandarin 1100 GMT 10 Sep 93*

[From the "National News Hookup" program]

[Text] The China Ocean Shipping Company held a news conference on the Yinhe incident for Chinese and foreign reporters at 1500 [0700 GMT] today. Dai Qiquan, vice president of the company, issued a statement during the conference. He said: Because of the unjustified accusation and harassment of the United States, the Yinhe incurred a 33-day delay in its sailing schedule, from 2 August to the completion of the inspection in Saudi Arabia's Damman harbor on 4 September. As a result, the company suffered an economic loss amounting to \$12.93 million. For this reason, this company, as the direct victim of the Yinhe incident, resolutely supports the strong protest lodged against the U.S. side by the Chinese Foreign Ministry and the solemn statement issued by it, while clarifying the fact to the people of the world and seeking the sympathy and understanding from the large number of cargo owners.

We strongly demand that the U.S. Government make a public apology, acknowledge its mistake, and compensate for all losses suffered by this company.

Hong Kong Group Protests at Consulate

*HK1009142193 Hong Kong Asia Television Limited in
English 1200 GMT 10 Sep 93*

[From the "Main News" program]

[Text] A pro-Beijing group has lashed out the United States for claiming that a Chinese freighter was carrying banned chemicals to Iran. The search of the freighter Yinhe in Saudi Arabia found no traces of the chemicals. China has lodged a strong protest. And today members of the Democratic Alliance for the Betterment of Hong Kong [DAB] went to the American Consulate demanding an apology from Washington. Susan Yu reports.

[Begin recording] [Susan Yu] The pro-Beijing group took its demands to the American Consulate urging Washington to drop what it, the DAB, called its bullying tactics in the high seas.

[Tsang Yok-sing, DAB chairman] When there is a country in the world which can stop and search any freighter sailing on public high seas, I think it poses a threat to any country which has ships afloat, including Hong Kong.

[Yu] Members repeated Beijing's call for an apology and nearly \$13 million in compensation. But the chances of

that happening are slim, with consulate officials reiterating Washington's stand, although there were hints of reconciliation in the U.S. State Department statement.

[Vallerie Steenson, Consulate spokesman] Our position is that proliferation is an extremely serious issue. The international community has recognized this. We have worked with other countries in the past to resolve these issues; we've now worked with China and Saudi Arabia, and we look forward to cooperation.

[Yu] Meanwhile, the DAB says the Yinhe incident should not be compared with the boarding of ships in the region by Chinese military personnel. The group maintains that China admits when it is wrong, while U.S. is unrepentant for its actions, which the group and Beijing are calling unjustified. [end recording]

Further on Protest

*HK1009082893 Hong Kong HSIN WAN PAO in
Chinese 10 Sep 93 p 4*

[Report: "The Democratic Alliance for the Betterment of Hong Kong Delivers Letter to U.S. Consulate General, Demanding U.S. Government Apology and Compensation for the Yinhe Affair"]

[Text] Twenty members of the Central Committee of the Democratic Alliance for the Betterment of Hong Kong this afternoon visited the U.S. Consulate General in Hong Kong to deliver a letter protesting against what the U.S. Government had done in handling the "Yinhe Affair" and to demand that the U.S. Government apologize and pay compensation for losses caused.

The Democratic Alliance for the Betterment of Hong Kong holds that what the U.S. Government has done this time constitutes an infringement upon China's sovereignty and right to free navigation on the high seas, and has caused losses to China in terms of international reputation and economic interests, therefore the U.S. Government should apologize to and compensate China for the losses.

The Democratic Alliance for the Betterment of Hong Kong expressed regret at the failure on the part of the U.S. Government to take any remedial measures. The alliance also asked the U.S. Government to clarify a statement made by the spokesman for the U.S. State Department, which said that the U.S. Government will continue to take similar interfering action as had been done against the cargo ship Yinhe. This means the United States will be liable to the accusation of infringement upon other countries' sovereignty, the alliance said.

Meanwhile, the Democratic Alliance for the Betterment of Hong Kong has written to Qian Qichen, vice premier of the Chinese State Council and foreign minister, to express its appreciation of the way in which China has handled this case, and to voice its indignation against the U.S. Government's interference.

Editorial Supports Compensation Call

HK1009074593 Hong Kong WEN WEI PO in Chinese
10 Sep 93 p 2

[Editorial: "The United States' Lies Are Full of Holes"]

[Text] The whole truth about the Yinhe incident has come out and it proves that U.S. intelligence is totally incorrect, that the United States has framed China, and that the United States has brutally trampled on the freedom of navigation on the high seas and on the sovereignty of another country. Despite this, the U.S. Government spokesman still persists in the United States' mistake by saying slanderously that the reason thiodiglycol and thionyl chloride were not found on the ship is that "before arriving at the Port of Ad Dammam, the Yinhe stopped at a certain place where the chemicals were unloaded or thrown into the sea." The U.S. Government persists in saying that the intelligence provided by its intelligence organs was "accurate." But the more such an inferior lie is told, the more incorrect it will be shown to be and the more it will be ridiculous to the world. It has all the more exposed its willful fabrication of lies which are full of holes.

Chinese Foreign Ministry spokesman Wu Jianmin refuted the United States, saying: "The above rumor is very inferior and lacks basic common sense. It sounds like a 'superman' story. China does not have a 'superman.' The United States is still fabricating rumors as a defense for its mistake. By so doing, it will only expose the facts which it wants to conceal."

The Yinhe was shadowed by U.S. warships and aircraft for more than one month. The U.S. Armed Forces' infrared night telescopes, radar, and sonar systems are familiar to everyone, while the CIA has clues from all parts of the world. With the two coordinated and prepared, the Yinhe could play no trick at all. If the Yinhe had unloaded the 24 containers at another port, the United States could have immediately discovered the record of the Chinese ship unloading at the port and then traced back to the cargo owner and could have immediately known what the unloaded cargo was. If the CIA had failed to do such a simple job, it would have been too silly, and the CIA director should have been fired.

If one says that the 24 pieces of cargo were thrown into the sea late at night, one lacks basic common sense about navigation. The Yinhe does not have a crane for loading and unloading containers, and there is no possibility that it threw the cargo into the sea. If it had thrown the drums of chemicals into the sea, they could have floated, bearing in mind the fact that the specific gravity of sea water is higher than that of the chemicals, and could have been picked up by the U.S. Armed Forces. Given the fact that U.S. warships were shadowing the ship at a short distance, if it had dumped just the chemicals into the sea, they could have first, taken samples from the sea water, and second, found that there were 24 vacant containers and lots of chemical drums on board the Yinhe, and then could have gone ahead and charged the Chinese ship with really

carrying the chemicals. However, under the close observation of the U.S. warships, the Yinhe did nothing, unless China has a superman who can fly and who could change the goods in the containers while at sea. If China had this technology, it would not need the Yinhe to carry the cargo, but could ask the superman to play a trick so that the chemicals could "fly" from China to Iran in a way more miraculous than Aladdin's flying carpet.

Now that the information given by the CIA-hired spies about the Yinhe's port of departure, the ports it had passed through, and its port of destination, which was not the Port of Bandar Abbas, is all incorrect, how then can they say the intelligence is "absolutely correct"? Now provided with no proof at all, the United States is making arbitrary accusations with a view to "reducing" the incident to a misjudged case. Its poor concept of the rule of law has really opened the eyes of the world. If bought "clues" are tantamount to facts by which the United States can convict one, has the CIA not become the world's judge? This is why the CIA can play the tyrant everywhere and interfere in the internal affairs of another country, and why it can kidnap the president of another country and send back a puppet president.

The act of trumping up charges against the Yinhe by the United States seriously endangers the freedom of commercial shipping around the world. The Yinhe stopped at Hong Kong, Singapore, and Jakarta; and according to U.S. logic, all these ports have become suspects in assisting in unloading or receiving the chemical weapon materials and their good reputations will be harmed. The six containers loaded in Hong Kong were also searched. Due to interference by U.S. warships for over a month, the Yinhe could not deliver the goods as scheduled and the Hong Kong consignors are faced with claims for compensation and will suffer enormously. The fact that the United States persists in not paying compensation not only harms the interests of Chinese commercial ships but also takes no account of the interests of the Hong Kong consignors. Each year, 26,000 ships sail to and from Hong Kong, on board most of which are containers from China. If the United States persists in trampling on the right of free navigation and in trumping up charges to interfere with freighters without paying compensation, then as a world shipping center, Hong Kong will be affected.

The United States, which interfered with the normal navigation of the Yinhe and thus caused a huge economic loss, should pay compensation so as to safeguard freedom of navigation on the high seas and the interests of shipping services. The agreement reached between China and the United States was one on the inspection of the Yinhe. It did not lay down that the United States could pay no compensation. China long before raised the question of compensation by the United States. Now the United States has wronged China, it must pay reasonable compensation. We resolutely support China's claim for compensation.

Foreign Press Criticism of U.S. Cited

OW1009020793 Beijing XINHUA Domestic Service in Chinese 1432 GMT 9 Sep 93

[Text] Beijing, 9 Sep (XINHUA)—A roundup of reports by XINHUA correspondents in Hong Kong, Macao, and

foreign countries: Social organizations and newspapers in the Hong Kong and Macao districts, Thailand, and Jordan have continued to issue statements or publish commentaries condemning U.S. hegemonic acts concerning the Yinhe incident.

In a letter dated 8 September and addressed to Qian Qichen, Chinese vice premier and concurrently foreign minister, the League for the Democratic Construction of Hong Kong supports the Chinese Government's consistent and clear-cut stand and denounces the U.S. Government's presumptuous and arrogant acts.

The letter points out: In the Yinhe incident, the U.S. Government seriously encroached upon China's sovereignty and freedom of navigation on the high seas, violated the norms governing international relations, undermined China's credibility, and caused our country to suffer grave economic losses. The league endorses China's solemn statement, which demands that the U.S. side make a formal apology to China, compensate it for its economic losses, and bear the entire responsibility of all the consequences arising therefrom.

Also on 8 September, the Social Affairs Committee of the Hong Kong Federation of Social Organizations in the New Territory released a statement to the press denouncing the U.S. Government's hegemonic acts. The statement says: This incident, which was meticulously plotted by the United States in a vain attempt to damage China's international reputation with an unwarranted charge, is tantamount to an open trampling of the norms governing international relations. The statement asks the question: How can that country, which professes to have "the most freedom, equality, democracy, and human rights," justify its committing such peremptory and unreasonable acts?

In a signed commentary published on 9 September, Macao's HUAQIAO BAO urges the United States to draw lessons from the Yinhe incident, rectify the misunderstanding, and correctly handle the relations between China and the United States.

The commentary says: "The United States obviously played a most inglorious part in the Yinhe incident." If Washington had been slightly sober after the truth was brought to light, it should have learned a lesson by admitting its mistake candidly and apologizing to and compensating the victims. So far, however, Washington, aside from making a poor effort to defend itself, has counterattacked with the allegation that the United States' intelligence is absolutely accurate and that the chemicals aboard the Yinhe were secretly removed or dumped into the sea. Such quibbling can only present an ugly image of the United States to the eyes of the world's people.

The commentary says: "The Yinhe incident is one of the numerous stupidities and mistakes that the United States has committed in handling questions related to U.S.-Chinese relations."

In an editorial on 8 September, Thailand's SING SIANG YIT PAO says: "The Yinhe incident has embarrassed and made the United States tongue-tied upon realizing its

mistake. Its lies and groundless accusations against China are exposed before the eyes of the world public." In criticizing the United States for practicing "power politics regardless of justice," the editorial says: "At any rate, the United States cannot justify its act of willfully trampling on the norms governing international relations."

In a brief commentary entitled "The Truth About the Yinhe Incident Has Come to Light" and published on the same day, Thailand's ASIAN DAILY points out: "The United States went so far as to act without thinking in disregard of another country's opinion and dignity. It is really regrettable for a big country to have done so."

Thailand's CHINESE DAILY also published an article on 8 September which says that "the Yinhe incident" is the sole doing of the U.S. Government, and that such a hegemonic act is really "unfortunate." The article points out: The Chinese Foreign Ministry's statement on the Yinhe incident is fair and reasonable. The United States should apologize to and compensate China.

Jordan's CONSTITUTION Arabic newspaper published a signed article on 8 September stressing that the United States should be held responsible for China's losses in the Yinhe incident.

The article points out: "Nobody can deny the fact that the U.S. obstruction and inspection of the Chinese cargo ship Yinhe has caused China losses. The United States undoubtedly should be held responsible for the losses." "China's consent to an inspection does not mean that it would assume the losses caused by the mistake of the other side."

UAE Paper Reports No Cargo Dumping

OW0909131693 Beijing XINHUA in English 1253 GMT 9 Sep 93

[Text] Abu Dhabi, September 9 (XINHUA)—A prominent United Arab Emirates English language newspaper, "GULF NEWS", today continued to report on the incident of the Chinese cargo ship Yinhe under the heading, "Yinhe Didn't Dump Toxic Cargo in Sea".

With the subheading of "Ship Doesn't Have Capability To Unload Mid-Sea—COSCO", the newspaper reported that an official spokesman for the China Ocean Shipping Corporation (COSCO) had refuted media reports that their freighter, the Yinhe, had dumped banned chemicals in the Java Sea before it arrived in the Gulf.

"It is physically impossible, there is no discharging equipment on board", "GULF NEWS" quoted the spokesman as saying. "A 20-foot container weighs as much as 20 tonnes, while a 40-foot container would weigh twice as much."

He also said that loading procedures placed much of the Dubai cargo in the middle of the hold. "We have only a crew of 30, how would these people push containers overboard?"

The official also pointed out that no country, for environmental reasons, would allow dangerous chemicals to be dumped in their territorial waters. "Why should Jakarta allow it?" he asked.

The Yinhe, cleared of the charge of carrying banned chemical weapons material to Iran after a joint Chinese-Saudi inspection in Daman recently, left Dubai's Port al-Rashid yesterday afternoon after discharging its entire cargo.

The vessel was said to be carrying over 300 "empties" when it sailed back to Xingang from Dubai as it was learned that COSCO officials had no time to arrange for the loading of a new cargo.

Column Urges Reduction in Friction With U.S.

HK1009093293 Hong Kong HSIN WAN PAO in Chinese 3 Sep 93 p 5

["New Talk" column: "It Is Better To Reduce Friction Between China and the United States"]

[Text] The ordinary container ship, Yinhe, suddenly found itself in the world's spotlight. The ship "owed" this to the clamor made by the United States. In fact, apart from making a clamor, they sent warships and warplanes to shadow the cargo ship and interfere with its voyage, as if confronting a formidable enemy. The incident arose because the United States, based on "reliable information," obstinately claimed that the cargo ship was carrying chemicals for the manufacture of chemical weapons to Iran, a country they do not like. The Chinese side repeatedly said that China, as a signatory to the convention on prohibition of the use of chemical weapons, had never manufactured or owned chemical weapons nor exported chemicals for chemical weapons. An earnest inspection found none of the chemicals referred to by the United States aboard the cargo ship. To prevent the situation going from bad to worse, the Chinese side, aside from making an open statement to clarify the matter and lodging a strong protest against the United States, indicated that a third party could be invited to make an independent investigation. We have said before the so-called Yinhe incident shows to the people the world over that the Chinese side acted on just grounds and with restraint while the U.S. side was impervious to reason and played the tyrant.

Chinese foreign ministry spokesman Wu Jianmin told Chinese and foreign reporters yesterday: An inspection showed there was no thionyl chloride nor thiodiglycol whatsoever among the goods on board the Yinhe bound for Iran, proving that what China had said in its statement was true.

The inspection began on 28 August at Dammam Port in Saudi Arabia. Representatives of the Saudi Arabian government were responsible for the inspection, representatives of the Chinese Government were present, and representatives of the U.S. Government, acting as "technical advisers" to the Saudi Arabian side, were involved in the process throughout.

The outcome, which has been mentioned above, proved that the so-called U.S. "reliable information" was "groundless." The Yinhe incident is only one example showing how the United States rides roughshod on unreliable information. We are interested to see what the United States will now say and do.

What happened in the past suggests that we should not rule out the possibility that the United States will continue to do as it pleases. In the final analysis, the likelihood of such a possibility is due to the U.S. Government's failure to acquire a sober understanding of the world situation and to formulate a farsighted policy. Their policymakers and decisionmakers may believe that, since they have no rivals in the wake of the Cold War, they can go all out to create trouble for China, thus carrying out a hegemonistic policy around the world and bringing endless benefits to the United States.

But world affairs will only prove that hegemonism is detrimental to the United States rather than in its interest. China is in no way a country that can be easily bullied. If China was bold enough to say "no" to more than one country upholding hegemonism out of a sense of justice when its strength was far inferior to what it is today, it is easy to imagine what attitude it will adopt toward hegemonism today.

China has no need to succumb to other countries nor has it any intention to ride roughshod over the world. This is a well-known fact. To prove this we need not cite examples from a long time ago. Only the day before yesterday, President Jiang Zemin told visiting U.S. congressmen: "Immediately after Mr Clinton was elected U.S. President, we proposed that China and the United States should increase faith in each other, reduce friction, intensify cooperation, and refrain from confrontation. This adequately shows our enthusiasm, sincerity, and forward-looking attitude toward developing Sino-U.S. relations." However, "the improvement and development of the relations call for common efforts. The two sides should respect each other and refrain from interfering in each other's internal affairs."

Jiang Zemin's speech was very comprehensive as well as extremely even-tempered and good-humored. The speech can be regarded as a guideline for China's policy toward the United States. What we want to see is how the U.S. side reacts.

U.S. Pension Fund Managers, Investors Visit

Li Lanqing Welcomes Investments

OW0909091093 Beijing XINHUA in English 0821 GMT 9 Sep 93

[Text] Beijing, September 9 (XINHUA)—Over 100 American investors, mostly controllers of pension funds, have come to China to explore investment opportunities through a business seminar that opened here today.

The seminar, co-sponsored by the U.S. Pension 2000 and the People's Construction Bank of China, is designed to

help American managers of private and public pensions to learn about China's investment environment. The Americans can explore the feasibility of investment, especially long-term investment in China's basic industries and infrastructure.

Addressing the meeting, Chinese Vice Premier Li Lanqing said that China's rapid economic construction provides more opportunities for economic cooperation between Beijing and other countries, including the United States.

Li said that the economies of China and the United States are complementary. As the development of Sino-American economic and trade relations fulfills each other's needs, the two sides should push for further cooperation.

Li said that infrastructure has been and will remain the key sector in China's economic construction. The Chinese Government welcomes foreign investors, as well as American pension fund managers, to invest in that area. "Direct or indirect investment and investment through launching joint ventures or solely foreign-funded firms are all welcome," said Li.

The vice premier assured the group that the Chinese Government will provide overseas investors with adequate legal protections.

Pension funds account for the largest pool of capital in the United States. The American participants in the seminar control investment portfolios exceeding 500 billion U.S. dollars—about one eighth of all pension funds in the United States.

After three days of meetings with officials from China's central government, industrial departments, representatives of financial circles and the top management of large enterprises, the potential investors will visit Shanghai.

Vice Minister Outlines Key Projects

*HK1009104393 Beijing CHINA DAILY in English
10 Sep 93 p 2*

[By CHINA DAILY staff reporter Zhang Yuan: "Key Items for U.S. Investors Outlined"]

[Text] A senior planning official yesterday outlined China's key projects in the 1990s for American investors.

The projects are involved in development of infrastructural industries, such as communications, telecommunications, energy resources, important raw materials and water conservancy, said Gan Ziyu, Vice-Minister of the State Planning Commission.

He made the remark at the opening of the three-day seminar jointly organized by the People's Construction Bank of China and Pension 2000 of the United States. About 100 U.S. pension fund officials and business people as well as some 100 Chinese officials, bankers and entrepreneurs attended the seminar.

He said that in the 1990s, China will build 30 large railway projects, including the Beijing-Jiujiang-Kowloon railway and the Beijing-Shanghai high-speed railway. The goal is to

raise China's annual railway transportation abilities by more than 1.2 billion tons of cargo and 240 million passengers by the end of this century.

Meanwhile, more than 300 deepwater berths will be constructed to raise the country's annual port handling ability by 380 million tons.

Other projects include construction of a number of express highways, a dozen large bridges and construction or expansion of 20 large airports.

In the telecommunications industry, Gan said that China would build a telephone network with a total capacity of more than 100 million lines, which will allow five to six out of every 100 people to own a phone, compared with 1.6 of every 100 now. The percentage will be 30-40 per cent in large cities.

In the energy resources industry, a number of large-type new coal mines will be constructed in the provinces of Shaanxi and Shanxi and the Ningxia Hui Autonomous Region. Key power plants to be built include the Baoji Power Plant in Shaanxi; the Qinbei Power Station in Henan; the Yangcheng Power Station in Shanxi; and three large open-pit thermal power stations in the Inner Mongolia Autonomous Region, Gan said.

Jiang Meets Pension Fund Controllers

*OW1009073093 Beijing XINHUA in English 0720
GMT 10 Sep 93*

[Text] Beijing, September 10 (XINHUA)—Chinese President Jiang Zemin said here today he hoped that more American investors would visit China to gain a better understanding of the country's investment environment.

Jiang made the remark during his meeting with Philip Schaefer, president of U.S. Pension 2000 and other U.S. controllers of pension funds, who have come to China to explore investment opportunities via a business seminar that opened here Thursday [9 September].

During the meeting in the Great Hall of the People this morning, Jiang said that China is taking various steps to establish a socialist market economy and its legislation is being improved.

The seminar was co-sponsored by U.S. Pension 2000 and the People's Construction Bank of China.

Jiang said that the seminar would help to promote the foreign participants' understanding of China, and increase mutual friendship and confidence.

The U.S. visitors expressed their appreciation for the achievements China has made in the process of reform, opening up and economic construction, and voiced the strong desire for expanding their investment in and cooperation with China.

Northeast Asia

ROK Police Search For Missing Mainland Tourists

HK1009043593 Hong Kong LIEN HO PAO in Chinese
10 Sep 93 p 10

[Report by special correspondent Liu Tsung-chou (0491 1350 0719): "107 Members of a 122-Member Party of Chinese Tourists Sneak Away After Arriving in South Korea"]

[Text] Seoul, 9 Sep (LIEN HO PAO)—According to a report today, a total of 107 tourists who had come to South Korea from mainland China as part of a group tour have sneaked away after arriving in Seoul. After losing contact with them, the travel agency that arranged the tour reported the case to the Ministry of Justice, which has joined hands with the police in the effort to find and arrest them.

In the past, South Korea had prohibited visits by tourists from Mainland China. The decision was reversed as of 1 July this year, and, since then, travelers from Mainland China have been allowed to visit South Korea, provided the tours are guaranteed and arranged by a travel agency.

The Asia Travel Agency, a fairly large agency here, solicited 122 tourists from Mainland China to travel to South Korea and visit the Tatien Exposition in four groups.

The groups left Tianjin on board the vessel Tian Ren and arrived at Inchon on 6 September. As soon as they arrived in port, two of them slipped away, while the remaining 120 people stayed in two hotels. When they assembled for breakfast in the morning on the day before last, 105 of them were discovered missing. Though the luggage was still there, its owners were nowhere to be found.

It has been reported that quite a few of the 107 missing mainland tourists have relatives in South Korea and many are of Korean origin. The Asia Travel Agency finds recovering these defectors very troublesome.

Daily Carries Editorial on DPRK Founding Anniversary

SK1009014293 Beijing China Radio International in Korean 1100 GMT 9 Sep 93

[Text] China's RENMIN RIBAO carried an editorial on 9 September on the occasion of the 45th anniversary of the founding of the DPRK. The editorial is as follows:

Today marks the 45th anniversary of the founding of the DPRK. The Chinese Government and people sincerely extend greetings to the fraternal Korean people for their brilliant national holiday.

Forty-five years ago today, the DPRK promulgated the establishment of its government and opened a new era in which the Korean people are the master of the country.

The Korean people have consistently adhered to socialism, overcome all kinds of trials with the spirit of independence, sovereignty, and self-reliance, and made a great

success in the socialist revolution and construction under the leadership of President Kim Il-song, Secretary Kim Chong-il, and the Workers Party of Korea. As a result, they have brought a remarkable change in Korea which was poor and backward.

The DPRK Government has tried to develop friendly relations with the people of various countries throughout the world. Also, it has positively made efforts to contribute to maintain peace and security in Asia as well as the rest of the world.

In recent years, the situation on the Korean peninsula has developed into detente. Also, relations between the two sides of the North and South have been improved through dialogue and negotiations. These facts cannot be possible without the efforts by the Korean Government and people.

Easing the situation on the Korean peninsula and maintaining its stability are not only consistent with the basic interests of all Korean people, but also, furthermore, helpful to peace and stability in the world.

The Chinese Government and people support the Korean people's cause for independent and peaceful reunification and welcome a progress made in negotiations between the DPRK and the United States. They hope that various parties concerned can continuously develop the situation on the Korean peninsula into a detente and stability by resolving the pending issues through dialogue and negotiations on a equal basis.

The Chinese Government, as in the past, will continue to do its best in the future, too. [chungguk chongbunun apurodo ijongwa machangajiro kyesok chagiui himul tahal kossida]. The two countries of China and Korea are closely neighboring countries sharing mountains and rivers. The PRC-DPRK friendship was personally forged by old revolutionaries of the two countries and overcome trials of history.

A tradition of friendship between China and Korea has already taken root deep in the hearts of the people of the two countries. It has also a strong vitality.

To further strengthen and develop friendship and cooperation between the two countries under the present complicated and difficult international situation is comply with the basic interests of their people as well as helpful to securing peace and stability in Asia.

The Chinese Government and people regard the tradition of friendship between China and Korea as very important. Also, they will make joint efforts to further strengthen and develop friendly and cooperative relations between the two countries by constantly expanding exchanges and cooperation in the various fields, including politics, the economy, and culture.

We truly wish the fraternal Korean people a new greater success in the cause of their future construction.

Japan's Hosokawa Pledges Support for PRC's Reform Efforts*OW0909154393 Beijing XINHUA in English 1518
GMT 9 Sep 93*

[Text] Tokyo, September 9 (XINHUA)—Japanese Prime Minister Morihiro Hosokawa said today his coalition government would continue to support China in its pursuit of a policy of reform and opening up.

Hosokawa was speaking at a meeting at the prime minister's official residence here with Zhang Siqing, procurator-general of the Chinese Supreme People's Procuratorate, Chinese Embassy officials said.

The officials quoted Hosokawa as telling Zhang that Japan would help China as much as it could in the Chinese efforts to build a socialist market economy in the country.

Zhang is currently visiting Japan at the invitation of the Japanese Justice Ministry.

Japan To Give Free Cultural Aid to Government*OW0909143693 Beijing XINHUA in English 1408
GMT 9 Sep 93*

[Text] Beijing, September 9 (XINHUA)—An agreement between the Chinese and Japanese Governments was signed here today under which Japan will give China about 48 million Japanese yen worth of free cultural aid.

Zhang Deqin, director of State Bureau of Cultural Relics, and Michihiko Kunihiro, Japanese ambassador to China, signed the agreement during the opening ceremony of the "China-Japan Governmental Cultural Relics Exchange and Consultation Conference" held in Diaoyutai State Guesthouse this afternoon.

Zhang, on behalf of the Chinese Government, thanked the Japanese Government for its understanding and support of China's cultural relics protection operations.

Since 1984, according to Zhang, more than 100 exhibitions of Chinese historical relics had been held in Japan. Among them, Zhang said, the exhibitions of "clay figurines unearthed from the tomb of Emperor Qin Shihuang" and "Loulan historical relics of ancient Xinjiang Uygur nationality" had each been viewed by more than a million Japanese visitors.

"This shows us that the mutual understanding between the two peoples has a sound cultural basis," said Zhang. "The close cultural relations between our two nations formed more than a thousand years ago is unrivaled."

Takayuki Kimura, a cultural official from Japan's Ministry of Foreign Affairs, expressed the hope at the ceremony that Japan and China would strengthen their exchanges and cooperation in the field of historical relics protection.

The aid will be used for Shanghai museum to buy an X-ray analysing machine.

Joint Japanese Iron Core Manufacturer Set Up*OW0909141793 Beijing XINHUA in English 1316
GMT 9 Sep 93*

[Text] Shanghai, September 9 (XINHUA)—Chinese and Japanese companies launched here Wednesday [8 September] the world's largest R-type iron core manufacturer, the Shanghai SK R-Core Co. Ltd.

The R-type iron core, invented by a Japanese by the name of Fumio Kitamura, is considered as the heart of the R-type transformer. Transformers are essential to electrical appliances such as TV sets, computers and copiers.

The new technology invented by Mr. Fumio Kitamura has made it possible for manufacturers to reduce the size of a conventional transformer by 30 percent, its weight by 40 percent and its open-circuit losses by 90 percent.

The invention of the R-type iron core is praised worldwide as a "revolution" in transformer production. To date, Fumio Kitamura has obtained 50 patents for his new technology in 13 countries.

Using a total investment of 13 million U.S. dollars, the Shanghai SK R-Core Company is designed to manufacture 3.6 to four million units a year, 70 percent of which will be for export. It is set to go into operation later this year.

The Sino-Japanese joint venture is being run jointly by two Japanese businesses, the Shanghai International Holdings Co. Ltd. and the Kitamura Kiden Co. Ltd, and three Chinese firms, the Shanghai Municipal Industry Investment Company, the Shanghai Hengda Industry Company and the Shanghai Automation Meters Company.

Mongolian President Meets XINHUA Delegation*OW0909120993 Beijing XINHUA in English 1007
GMT 9 Sep 93*

[Text] Ulaanbaatar, September 9 (XINHUA)—Mongolian President P. Ochirbat today expressed hope for fruitful press cooperation with China to help increase mutual understanding between the two peoples and promote cooperation in all fields.

Cooperation between the two countries' media will greatly boost the exchange of information and feelings between the two nations, he said while meeting a visiting delegation of XINHUA NEWS AGENCY.

He added that the information industry today can bring about tremendous economic benefits and is therefore enjoying growing attention.

He also stressed to the delegation, led by vice-president of XINHUA NEWS AGENCY Zhang Baoshun, that his country is seeking to establish more joint ventures with China that can make quality products for the international market.

Ochirbat expressed satisfaction at the current cooperation with China in economy, trade and other fields, adding that

the relationship between the two countries has reached a point where there is not a single area in which bilateral cooperation is impossible.

Southeast Asia & Pacific

XINHUA Notes Khieu Samphan Backing for Sihanouk as King

OW1009074893 Beijing XINHUA in English 0724
GMT 10 Sep 93

[Text] Phnom Penh, September 10 (XINHUA)—Khieu Samphan, president of the Democratic Kampuchea Party (DKP), today declared his party's support for Norodom Sihanouk to be the king of Cambodia.

The DKP radio said Khieu made the statement while briefing his people on his Monday's [6 September] audience with Sihanouk in Beijing.

"Norodom Sihanouk is the only person who can bring about national reconciliation and unity," Khieu said, adding that Sihanouk should be given enough power to facilitate the process.

Khieu said during his Beijing talks, Sihanouk pledged resolute support for the nation to achieve reconciliation, saying he will spare no effort towards this cause, which is vital to the survival of the Cambodian people.

Sihanouk was also said to have proposed a round-table conference by the four sides in Cambodia for discussion of issues of common concern. Khieu said Democratic Kampuchea would take part in it.

Wei Jianxing Meets Lao Party-Government Group

OW0609233293 Beijing XINHUA in English 1334
GMT 6 Sep 93

[Text] Beijing, September 6 (XINHUA)—Wei Jianxing, member of the Political Bureau of the Central Committee of the Chinese Communist Party (CPC), met with an expert observation group from the Supervisory Committee of the Lao Party and Government here this afternoon.

Wei, also secretary of the Central Commission for Discipline Inspection of the CPC, exchanged views with the visitors on enhancing the bilateral exchange and cooperation in the field of discipline inspection and supervision.

The group, led by Sisavat Savengsouksa, executive member of the Supervisory Committee and also deputy director of the Discipline Inspection Committee of the Lao People's Revolutionary Party, arrived here September 4 for a two-week visit to China as guests of the CPC Central Commission for Discipline Inspection.

The visit is aimed at studying China's discipline inspection system and promoting the exchange and cooperation with the CPC, sources here said.

NPC Vice Chairman Wang Hanbin Meets Lao Delegation

OW0609061293 Beijing XINHUA in English 0541
GMT 6 Sep 93

[Text] Beijing, September 6 (XINHUA)—Wang Hanbin, vice-chairman of the Standing Committee of China's National People's Congress (NPC), met with a delegation of "ALOUN MAI", official journal of the Lao People's Revolutionary Party Central Committee, here today.

The delegation, headed by the magazine's editor-in-chief Viengsay Sovalit, is on a six-day visit to China at the invitation of "QIUSHI" (SEEKING TRUTH), official journal of the Central Committee of the Communist Party of China.

The three-member delegation is also scheduled to travel to Shanghai, China's largest industrial city, and Kunming, capital of southwest China's Yunnan Province.

Philippine President Conveys Sympathy for Qinghai Accident

OW0409101893 Beijing XINHUA in English 0940
GMT 4 Sep 93

[Text] Manila, September 4 (XINHUA)—President Fidel Ramos has expressed his sorrow and sympathy to China for the death of more than 200 people from the bursting of a dam in the western part of the country late last month, the presidential palace said today.

"I learned with sadness of the dam accident which happened in the western province of Qinghai and reportedly resulted in the death of around 263 people and injury of countless others," the president said in his letter to Chinese President Jiang Zemin.

"On behalf of the Filipino people, I wish to convey our expression of sorrow and deep sympathy," said the president.

Near East & South Asia

Additional Reports on Indian Prime Minister's Visit

Talks on Border, Other Issues Reviewed

BK0809131393 Delhi Doordarshan Television Network in English 1615 GMT 7 Sep 93

[Speakers identified by screen caption]

[Excerpts] India and China today signed an agreement on maintaining peace and tranquillity on the Line of Actual Control. This agreement, along with two others, was signed in Beijing after the second round of talks between the prime minister, Mr. Narasimha Rao, and his Chinese counterpart Mr. Li Peng. [passage omitted]

[Begin correspondent Maya Jaideep recording] Earlier, the two prime ministers had their second round of talks this morning. Firstly, they met for about 50 minutes without their aides, after which they were joined by their high-level

delegations. During their talks, the two leaders covered a wide range of bilateral and international issues and the points that both India and China should cooperate in promoting regional and international peace and tranquility. The two leaders were also quite specific on further promoting and strengthening bilateral cooperation. In this context, they underlined the need to take measures to boost economic, trade, and commercial relations between the two countries.

On the border question, Mr. Li Peng and Mr. Rao expressed their complete satisfaction on agreement on maintaining peace along the Line of Actual Control. They emphasized that the India-China Joint Working Group on the Boundary Question should step up its work so that a fair, reasonable, and mutually acceptable settlement of the border question could be found out. They reiterated their commitment to resolve the issue through friendly consultations.

Mr. Narasimha Rao had a hectic schedule today, meeting several senior Chinese leaders. He met the president and the general secretary of the Chinese Communist Party, Mr. Jiang Zemin. He also held talks with Mr. Hu Jintao, member of the Standing Committee of the Politburo of the Communist Party of China. He held talks with the chairman of the Standing Committee of the National People's Congress, Mr. Qiao Shi. He met the chairman of the Chinese People's Political Consultative Conference, Mr. Li Ruihuan. [end recording]

The two countries decided to establish a subgroup of the Joint Working Group on the Boundary Question. Answering questions about the agreement, an official spokesman from India said the aim of both the countries would be to see that the Line of Actual Control remained undisturbed and no attempt is made to alter it. Also, it is the first attempt to solve the border issue eventually.

The spokesman said that India has conveyed its serious concern about the sale of Chinese missiles to Pakistan. The Chinese side assured the Indians that there is no arms transfer to Pakistan that will be used against India. The Chinese vice foreign minister also told Mr. Dixit that China would not play the Pakistan card against India.

About Tibet, the spokesman said the Chinese side stated its known position and Mr. Dixit conveyed to it that India accepts Tibet as an autonomous region of China.

With the signing of this historic agreement, the director of the Institute for Defense Studies and Analyses, Mr. Jasjit Singh, spoke to Doordarshan on troop reduction.

[Begin recording] [Unidentified TV correspondent] Sir, do you foresee substantial troop reduction?

[Jasjit Singh] Well, I think there is a scope for substantial reduction, although how its effect does have on the total force level. [sentence as heard] We must not mix up the two things—one is, what you have deployed forces being reduced. Let us say India is known to be having about 10-11 mountain divisions, of which at any time, something like four or five may be deployed up front and the others

held in reserve; constantly people being rotated. This arrangement should lead to the reduction down to a deployed level of, perhaps, two divisions and the total force level by down again from 10-11 divisions to perhaps something like six, maybe maximum seven. So we were talking of 30 percent reduction. I would look for this. [end recording]

XINHUA on Speech at Beijing University

OW0909121693 Beijing XINHUA in English 0617
GMT 9 Sep 93

[Text] Beijing, September 9 (XINHUA)—Indian Prime Minister Narasimha Rao, before ending a four-day visit to China, delivered a speech on Sino-Indian relations and international affairs before 600 Chinese students at Beijing University this morning.

After a review of the centuries-old friendly contacts between India and China, Rao noted that the two countries are "emerging from certain aberrations in their relations into an era of normalcy and enhanced mutual understanding."

The two countries have taken "several steps together" in the last five years to "improve communication and understanding," he said, adding that bilateral trade has been growing, border trade resumed and the momentum of high level political dialogue maintained.

However, he said, "we have still to tap the full potential of the possibilities that exist for our two large economies to interact in the economic sphere."

This, he said, "would not only lend further strength to our bilateral relations but would also contribute to economic cooperation in overall terms in Asia and in the rest of the world."

"Even on issues that once divided us, we are agreed on the need for and manner of, dealing with these questions," he said. "I am confident that if we both continue this process, our common border will continue to be a border of tranquility."

"Our bilateral relations are on the way towards achieving the stability, durability and good neighborliness that both our peoples desire," he said.

As the two countries have found ways of dealing with the bilateral issues, they need to conduct more cooperation in international affairs, he indicated. Touching on the issue of a new world order, he said that the five principles of peaceful coexistence, initiated by India and China, remain valid today.

Also, "a general agreement on India-China strategy and approach on a series of issues could be conducive to an Asian resurgence," he said.

After reading out the written text, the Indian prime minister went on to make off-hand remarks, saying young people of the two nations shoulder "a special responsibility" for enhancing mutual understanding and promoting friendship.

For Sino-Indian friendship to develop from generation to generation, youths of the two countries need to communicate more with each other, he said. Towards that end, Rao proposed drawing up and implementing "a massive program" for exchanges between Indian and Chinese students. This won warm applause from the audience.

Visit Said To Boost Economic, Trade Ties

BK1009093193 Beijing China Radio International in Hindi 1500 GMT 9 Sep 93

[Unattributed report]

[Text] China and India are two major developing countries. In the past few years, their economic systems have greatly improved and transactions between them have also increased. This provides great scope for cooperation between the two countries in the economic, trade, scientific, and technological fields. Last year, trade between the two countries reached \$339 million, 28 percent higher than 1991.

Sirney, chairman of the Indo-China Chamber of Commerce and Industry, visited China in July. During the visit, he said trade between India and China will double in the next two or three years, reaching up to \$700 million. His proposal got full support from the Chinese side. According to statistics, China and India have exchanged more than 100 economic and trade delegations over the past few years. Following study and due negotiations, the Indian side said that in the future, besides giving a boost to exports of iron, minerals, agricultural products, tobacco, and chemical products, India will also export food materials, medicine, fresh fruit, steel products, automobile spare parts, and electronic equipment to China. India will import coke, silk, silk yarn, and petroleum products from China.

China and India are hopeful of an apparent increase in trade because it would be beneficial to both countries. Some Chinese companies and industrial concerns have set up joint venture projects in India. The constant improvement in bilateral relations between China and India will help in the gradual improvement of border trade between the two countries.

In 1986, former Indian Prime Minister Rajiv Gandhi paid a visit to China. Thereafter, senior leaders of the two countries exchanged frequent visits, which helped to improve greatly cooperation between the two countries. The two countries have now signed accords for cooperation in the fields of trade, science, and technology, and they have set up a joint commission on the economic, scientific, and technical fields as well. Both sides are of the view that the exchange of useful scientific and technical expertise can boost development of their economic and commercial cooperation.

This year, the two countries have organized exhibitions and symposia on new technologies. Chinese entrepreneurs have visited India. A number of Indian entrepreneurs, scientists, and technocrats have evinced keen interest in useful techniques, hybrid varieties of paddy, and new

varieties of vegetables and fruits. Prime Minister Narasimha Rao's successful visit to China has undoubtedly given a thrust to economic and trade ties between the two countries.

Trade Fair To Promote Sino-Indian Border Trade

OW0809114193 Beijing XINHUA in English 1117 GMT 8 Sep 93

[Text] New Delhi, September 8 (XINHUA)—A trade fair to promote border trade between India and China in the border trade spot of Pulan (China) and Gunji (India) is to be held in the third week of this month, official sources said here today.

The decision was taken at a high level meeting held recently between officials from India and China at Pulan in Tibet, China.

As part of the trade fair arrangements, some important steps have already been taken to smooth the flow of trade across the border, including building facilities for traders to exchange goods on barter and carry out cash sales in Pulan on the Chinese side, according to the sources.

Trade performance along the Sino-Indian border this year has been much better than last year, with a total of six Chinese traders so far having come to India and 168 Indian traders going to China across the border. The volume of trade has been doubled since last year.

A few more traditional border trade routes will be thrown open for trade between the two countries as part of measures expanding the trade which is beneficial to residents on both sides.

A proposal suggesting total exemption from payment customs duty will reportedly be sent to the Indian Government to lessen the burden of Indian traders.

Supreme Court Vice President Leaves for Sri Lanka

OW1009111093 Beijing XINHUA in English 1049 GMT 10 Sep 93

[Text] Beijing, September 10 (XINHUA)—Wang Jingrong, vice-president of the Chinese Supreme People's Court, left here today for Sri Lanka to attend the fifth conference of chief justices of Asia and Pacific to be held between September 12 and 16.

He has been invited by B.W. Kidu, chairman of the judicial section of Law Association for Asia and Pacific and its vice-chairman D. Malcolm.

Hu Sheng-Led CPPCC Delegation Leaves for Syria

OW0809054493 Beijing XINHUA in English 0507 GMT 8 Sep 93

[Text] Beijing, September 8 (XINHUA)—A delegation from the Chinese People's Political Consultative Conference (CPPCC) left here this morning for a week-long visit to Syria.

The delegation, headed by Hu Sheng, vice-chairman of the CPPCC National Committee, started on the tour at the invitation of the Syrian National Progressive Front (SNPF).

The CPPCC and SNPF have exchanged visits quite a few times. A SNPF delegation came to China last year.

'News Analysis' Examines Syrian-Israeli Relations

OW1009131593 Beijing XINHUA in English 1238 GMT 10 Sep 93

["News Analysis" by Wang Genbao: "Will Substantial Progress Be Possible Along Syrian-Israeli Track?"]

[Text] Damascus, September 10 (XINHUA)—As the Palestinian-Israeli agreement on limited Palestinian self-rule is likely to be signed Monday [13 September] in Washington, people will ask if the Syrian-Israeli peace talks will likewise achieve substantial progress.

Political observers here believe that the Palestinian-Israeli agreement may have some effect on the Syrian-Israeli negotiations now under way in Washington. But the impact has not been evident so far.

Syrian Government-run radio and newspapers have refrained from commenting on the PLO-Israel agreement on mutual recognition and the issue was not given prominence in the press.

Syria has expressed its displeasure at being consulted about the contacts between the Palestinian and Israeli sides. Syria has not so far defined its final position regarding the self-rule agreement.

It appeared to be neutral, neither supporting the agreement outright, nor denouncing it. It seems it is waiting for the outcome of the current peace talks in Washington.

Syria's mass media are quite reserved with regard to the agreement, but did indicate that the agreement had been done outside the framework of Arab coordination, and that this would affect coordination in the stages to come as a loophole now existing in the edifice of Arab coordination.

In this respect, Syrian President Hafiz al-Asad had a six-hour meeting on September 5 with Yasir 'Arafat, chairman of the Palestine Liberation Organization, listening to his elaboration of the contents of the agreement and the conditions that had led to it.

President al-Asad asserted during the meeting that Syria continues to support the Palestinian people's rights and that it was up to the Palestinians and their establishments to decide what was appropriate for them. But he did not refer to the Palestinian-Israeli agreement.

Syria has always been seeking unified Arab efforts, accentuating the importance of Arab coordination in order to

achieve a just and comprehensive solution of the Arab-Israeli conflict on all tracks. Syria has denied any secret contacts between the Syrian and Israeli sides over the Golan Heights.

Secondly, in view of the big difference in the Syrian and Israeli positions regarding the Golan Heights, the Middle East peace talks did not succeed over the past rounds in reaching satisfactory results. As for the outcome of the current 11th round, the leader of the Syrian delegation, Mowafaq Allaf, said Thursday that the second week of negotiations between Syria and the Israelis produced no results whatsoever.

An atmosphere of optimism had prevailed in the political and media circles when U.S. Secretary of State Warren Christopher was shuttling between Damascus and Tel Aviv. But it seems an agreement is still premature because differences in fact are still there between the Syrian and Israeli sides.

Syria insists on full Israeli withdrawal from the Golan Heights as a precondition for any progress, considering it as a basic move that must be taken prior to an examination of the issues of security and peace.

Israel, on the other hand, demands a definition of what Syria means by full peace. In his own words, Allaf has said that the failure to make progress in this round was due to Israel's non-commitment to UN Security Council resolutions 242 and 338 which call for full withdrawal.

Moreover, Syria is reiterating its opposition to a partial solution of the Arab-Israeli conflict. In this regard, the Syrian delegation leader has denied that discussions during the current round have dealt with partial solutions.

Syria has also announced that talks with Israel during the current round have not dealt with a two-phase Israeli withdrawal plan from the occupied Golan Heights seized by Israel from Syria in the 1967 Middle East war.

It stressed the necessity of putting an end to Israeli occupation from all of the occupied territories so that the concerned parties could establish a just and comprehensive peace in the Middle East.

Consequently, political analysts in the Syrian capital have ruled out the possibility of achieving substantial progress in the near future along the Syrian-Israeli track.

Rabin Cited on PLO's 'Commitments' to Peace

OW1009092393 Beijing XINHUA in English 0856 GMT 10 Sep 93

[Text] Jerusalem, September 10 (XINHUA)—Israeli Prime Minister Yitzhaq Rabin said today after signing the accord recognizing the PLO that the organization's declared commitments are a dramatic change that opens the road toward reconciliation and peace between the Palestinians and Israel.

"It is the first agreement between the Palestinians and Israel since the creation of the state of Israel" in 1948, said the prime minister.

Rabin called it "a historical moment that hopefully will bring about an end to 100 years of bloodshed and misery between Palestinians and Jews and Palestinians and Israel."

"I believe it starts a new era in which we will do our best to achieve peace and security to Israel and at the same time to give Palestinians the right in the context of the interim agreement to run their own affairs," said the prime minister, flanked by Foreign Minister Shimon Peres and Norwegian Foreign Minister Johan Jorgen Holst.

"I believe there is a great opportunity of change of not only the relations between Palestinians and Israel but to extend it to the solutions of conflicts between Israel and other Arab countries and peoples," Rabin said.

However, Rabin said that he is "fully aware about the difficulties that face Palestinians and Israel in the solution of our problems."

"It is still a long way to go with obstacles on the road that we have to move," he said.

"The government of Israel has decided to recognize the PLO as the representative of the Palestinian people and commence negotiations with the PLO within the Middle East peace process," said the document Rabin signed this morning on recognizing the Palestine Liberation Organization (PLO).

PLO Chairman Yasir 'Arafat also took a historic step late Thursday [9 September] night in Tunis and put his name on a document that formally announces PLO's recognition of Israel's right to exist in peace and security.

The Israeli-PLO mutual recognition, in Foreign Minister Shimon Peres' words, "will revolutionize the relations between the Jewish and Arab worlds and between Israel and the Palestinians."

"It will lead to a better future for both Israel and the Middle East and the Israeli Government will continue to work to that end," said the minister, who, together with Prime Minister Rabin, orchestrated the whole deal.

Bitter rivals of some 30 years, the state of Israel and the PLO are now embarking on a different course that may well herald a new era in the Middle East region where peace is so desperately needed.

Commentary Views Israeli-Palestinian Relations

OW1009162293 Beijing XINHUA in English 1440
GMT 10 Sep 93

["Commentary" by Wan Lianzhi: "A Historical Turn in Israeli-Palestinian Relations"]

[Text] Beijing, September 10 (XINHUA)—On September 9, the Israeli inner cabinet and the executive committee of the Palestine Liberation Organization (PLO) respectively ratified the mutual recognition accord, thus opening a new chapter in Israeli-PLO relations.

At the ceremony of signing and exchanging of documents, PLO Chairman Yasir 'Arafat announced that "the PLO

recognizes Israel's right to exist in peace and safety," and "the PLO accepts UN resolutions 242 and 338."

Israeli Prime Minister Yitzhaq Rabin announced that Israel will recognize the PLO as the representative of the Palestinian people. And Israel began to negotiate with the PLO within the framework of the peace process in the Middle East.

The latest development is an important turning point in PLO-Israeli relations and an historic breakthrough in the peace process in the Middle East. It marks the point when Israelis and Palestinians are beginning to end their confrontation and represents a crucial step towards a peaceful settlement of the Palestinian question.

The recognition by the Israeli Government owed much to the decades of hard struggles of the Palestinians people led by the PLO. It is well known that since the State of Israel was established in 1948, the Palestinian people have been suffering from occupation and exile. They have had to fight for their national rights.

The establishment of the PLO in 1964 brought a new period in the Palestinians' struggle. The 30th United Nations General Assembly in 1975 passed a resolution inviting the PLO as the representative of the Palestinian people to join the Middle-East peace process. It marked the fact that the PLO's legal position had been officially recognized by the international community.

Since then, the PLO has been supported by most countries in the world. Now Israel has adopted a realistic policy and at last recognised the PLO. It is a great achievement in the PLO's fight for national rights.

After the ending of the Cold War, there were increasingly powerful voices calling for a peaceful resolution of the Middle East issue. Many figures in Israeli political circles had already conducted various contacts and dialogues with the PLO.

Since the withdrawal of the PLO from Beirut in 1982, the organization has adopted a new strategy of political and diplomatic struggle. 'Arafat has long made clear the PLO's position on rejecting terrorism and recognizing the right of Israel's to exist.

The Israeli Rabin government has also adopted flexible policies on the Middle East issue since it came to power in July last year. In January this year, the Israeli parliament ratified a bill lifting the ban on contacts with the PLO.

After that the PLO and Israel began to hold high-level secret talks and reached a series of agreements. The mutual recognition between Israel and the PLO was a natural result of their flexible policy.

The mutual recognition ended the kind of PLO-Israeli relations that for decades had featured hostility, and opened a road for direct, official negotiations.

This will serve as a step toward a peaceful settlement of the Palestinian issue. And it will eventually bring about a positive influence on the peace process in the Middle East.

Sub-Saharan Africa

South Africa Holds First Exhibition in China

OW0109124093 Beijing XINHUA in English 1231
GMT 1 Sep 93

[Text] Shanghai, September 1 (XINHUA)—A South African geological prospecting and mining technology exhibition opened here yesterday.

This is the first time that the Republic of South Africa has held an exhibition in China.

The exhibition, jointly sponsored by the China Geology Technological Development Import and Export Corporation, South Africa Exhibition Management Services Ltd and the Shanghai Center, features advanced mining and gold-extraction techniques.

South Africa is planning to broaden trade in mineral products with China.

Its banking sector is also planning to seek business expansion in China.

During the exhibition the two sides will have various contacts to seek wider trading, technological and economic co-operation.

Economic, Trade Delegation Departs for African Tour

OW0309161093 Beijing XINHUA in English 1536
GMT 3 Sep 93

[Text] Beijing, September 3 (XINHUA)—A Chinese Government economic and trade delegation led by Tian Runzhi, assistant minister of Foreign Trade and Economic Cooperation (FTEC), left here by air this evening on a goodwill visit to Benin, Senegal, Burkina Faso, Sierra Leone and Guinea as guests of the governments of the five African nations.

During the visit, the delegation will have talks respectively with the governments of these countries on the further development of bilateral economic cooperation and trade.

The delegation was seen off at the airport by embassy officials of the five countries here and leading Chinese trade officials.

Ambassador to Nigeria Says New Government 'Welcomed'

OW0809000493 Beijing XINHUA in English 2118
GMT 7 Sep 93

[Text] Lagos, September 7 (XINHUA)—Chinese Ambassador to Nigeria Hu Lipeng said today that the Chinese Government welcomed the establishment of the interim national government in the country.

When meeting with head of the interim national government (ING) Ernest Shonekan in Nigeria's capital Abuja, Hu said China believed in Nigeria's capacity to solve its own problems.

The Chinese ambassador also stressed the need to hold soon the third session of the Sino-Nigerian joint economic commission.

Shonekan commended China upon its economic growth rate, which reached 14 percent in the first half of this year, noting that despite of its population of more than one billion, China is able to feed itself.

He called on the Chinese Government to assist Nigeria in agriculture to ensure food self-sufficiency in the country.

Bilateral trade should also be improved in view of the market potentials in both countries, he added.

The interim national government was sworn in on August 26 after General Ibrahim Babangida stepped down as president and commander-in-chief of the armed forces of the country.

Interim Leader on 'One-China' Policy

OW0809004393 Beijing XINHUA in English 2222
GMT 7 Sep 93

[Text] Lagos, September 7 (XINHUA)—Nigeria would continue to carry out the policy of recognizing "one China", that is, recognizing the Government of the People's Republic of China as the only legal government.

Ernest Shonekan, Nigerian head of state and head of the interim national government, said this when receiving Chinese Ambassador to Nigeria Hu Lipeng in Nigeria's capital Abuja today.

Shonekan stressed that the interim national government would make efforts to further Nigeria's traditional friendship with China.

During their one-hour talks, Shonekan commended China upon its economic growth rate, which reached 14 percent in the first half of this year.

Shonekan expressed the hope that China would assist Nigeria in agriculture to ensure food self-sufficiency and in the small and medium-sized industries.

He noted that both Nigeria and China were big countries in terms of population and there were vast vistas for bilateral cooperation in economy and trade.

Shonekan said the current level of bilateral trade should be improved in view of the market potentials in both countries.

He said he would exert himself for an early convocation of the third session of the Sino-Nigerian joint economic commission.

During the meeting, Ambassador Hu expressed warm congratulation on the formation of the Nigerian interim national government, which was sworn in on August 26.

Qi Huaiyuan Receives Malian Official

OW0809233793 Beijing XINHUA in English 1622
GMT 8 Sep 93

[Text] Beijing, September 8 (XINHUA)—Qi Huaiyuan, director of the Foreign Affairs Office of the State Council, met today with Noumou Diakite, secretary general of Mali's Ministry of Foreign Affairs, Malians Abroad and Integration of Africa.

Qi said that the Chinese Government is satisfied with the smooth development of Sino-Malian friendly relations of cooperation and appreciates the Malian Government's adherence to its position of one China.

He expressed the hope that African countries, including Mali, enjoy political stability and economic growth.

Diakite said that the Malian Government attaches great importance to friendly ties with China, and is ready to increase its consultations with China in the political area and expand diverse forms of cooperation with China in the economic field.

At the invitation of the Chinese Foreign Ministry, Diakite and his party arrived here yesterday for a visit. Yesterday afternoon Chinese Vice-Foreign Minister Yang Fuchang held talks with Diakite. Both sides indicated the intention to further Sino-Malian traditional friendship and bilateral cooperation.

West Europe

Vice Minister on Rong Yiren's Visit to Spain, Portugal

OW1009082393 Beijing XINHUA in English 0745
GMT 10 Sep 93

[Text] Beijing, September 10 (XINHUA)—Jiang Enzhu, Chinese vice-minister of foreign affairs, said here today that Chinese Vice-President Rong Yiren's forthcoming visit to Portugal and Spain will serve to promote friendly ties of cooperation between China and those two countries.

Rong is scheduled to pay an official visit to Portugal and Spain from September 12 to 22. In an interview with XINHUA, Jiang noted that this will be the first visit by a Chinese vice-president to West European countries after New China was founded in 1949.

Jiang said that the rapid development of ties between China and those two European countries has been achieved and several high-ranking officials have exchanged visits in past few years.

For example, he said, Chinese Premier Li Peng paid a successful visit to Spain and Portugal in February of last year while Spanish Prime Minister Felipe Gonzalez Marquez's visit to China in February this year achieved positive results.

Chinese Foreign Minister Qian Qichen and his Spanish and Portuguese counterparts have also exchanged visits, Jiang said, adding "All these exchanges have given a

powerful impetus to the development of Sino-Spanish and the Sino-Portuguese friendship and cooperation in politics, economy, culture, science and technology."

He said since China and Portugal signed a joint declaration on the issue of Macao in 1987, the two countries have maintained good cooperation on that issue.

Besides, he said, the volume of trade between China and the two European countries has witnessed sustained growth and added that their scale of economic and technological cooperation is expanding.

Jiang said since the beginning of this year, the Chinese departments concerned have reached agreements with their Spanish counterparts on major economic and cooperative projects.

He said that Rong will, in the spirit of deepening mutual understanding and strengthening cooperation, exchange views with leaders of Spain and Portugal on bilateral relations and major international issues of common interest during his visit.

Jiang said that Vice-President Rong will also contact personages from all walks of life in those two countries.

He expressed the conviction that Rong's visit will be beneficial to the deepening of the mutual understanding and friendship, and also to the growth of friendly ties of cooperation.

French Communists Invite CPC Representative To Visit

OW0609071993 Beijing XINHUA in English 0633
GMT 6 Sep 93

[Text] Beijing, September 6 (XINHUA)—Zhu Zhihong, representative of the Chinese Communist Party (CPC) and deputy secretary of the CPC Jiangxi Provincial Committee, left here for France today at the invitation of the Communist Party of France.

Zhu is going to attend the festival of "L'HUMANITE", organ of the Communist Party of France.

Netherlands Prime Minister Receives Shanghai Group

OW0909033593 Beijing XINHUA in English 0304
GMT 9 Sep 93

[Text] The Hague, September 8 (XINHUA)—Dutch Prime Minister Ruud Lubbers met here today with a Chinese delegation from Shanghai, the biggest industrial city of China.

Huang Ju, mayor of Shanghai and leader of the delegation, briefed the prime minister on Shanghai's economic situation and development.

Also today, Economy Minister Jacobus Andriessen and Foreign Trade Minister [title as received] Yvonne van Rooy met the Shanghai delegation. Both sides expressed hope for more economic cooperation between Shanghai and Rotterdam, which are cities of friendship.

The Shanghai delegation arrived here from Belgium Monday [6 September] for a five-day visit.

Norwegian Association Donates Braille Equipment

OW1009104393 Beijing XINHUA in English 1000 GMT 10 Sep 93

[Text] Beijing, September 10 (XINHUA)—A ceremony for the Norwegian Association of the Blind and Partially Sighted (NABPS) to donate four sets of braille equipment to the China Braille Publishing House (CGPH) [as received] was held here today.

The equipment, worth more than 170,000 U.S. dollars, has already arrived in China and gone into trial production.

Thanking the NABPS for the donation, CGPH president Song Jianmin said that the sophisticated equipment will play a big role in increasing work efficiency, improving printing quality and alleviating the workers' labor intensity.

Song said that his publishing house wants to expand cooperation with the organizations of the blind in other countries and regions so as to better serve the 7.5 million blind people in China.

NABPS Secretary General Arne J. Husveg, and Chong Chan-yau, president of the Hong Kong Association of the Blind, were among those present at the ceremony.

XINHUA Interviews Cypriot Ambassador-Designate

OW2508210193 Beijing XINHUA in English 1705 GMT 25 Aug 93

[Text] Nicosia, August 25 (XINHUA)—Cyprus' newly-appointed ambassador to China, Mrs. Mirna Kleopa, today described relations between Cyprus and China as "excellent" and said that there is room for further improvement.

In an interview with XINHUA, Kleopa, who will be Cyprus' first ever female ambassador, said she was happy to take the new post in China to "promote my country's interest and further develop relations between the two countries."

Kleopa is currently director of the Office of the Permanent Secretary of the Cypriot Foreign Ministry.

The ambassador-designate, expected to be in China in early October, said both China and Cyprus are peace-loving countries which could cooperate more closely on the world arena under the principles of peaceful coexistence, equality, justice and the U.N. Charter.

Kleopa, conceding that she is a feminist who has never been to China, regarded her appointment as a "natural progress in my professional career," and also as "a small contribution to the struggle of the Cypriot women to achieve equality."

Describing her appointment as a "positive development," she said "we need more women to take up decision-making position, although it needs time."

Kleopa was born in Nicosia in 1944 and became a barrister-at-law at the Gray's Inn in London. She practiced law between 1971 and 1977 and then served at the Ministry of Foreign Affairs as a legal adviser.

She also worked in the political affairs division of the Foreign Ministry dealing with issues of human rights.

She began her diplomatic career in 1979 as a secretary and one year later she served as counsellor at the Cyprus High Commission in London before being appointed consul-general in the U.K.

In the years between 1986 and 1990, she was assigned to the Political Affairs Division of the Foreign Ministry, dealing with international organizations, bilateral relations, women's affairs, human rights, commonwealth and non-aligned affairs.

East Europe

Reportage on Qian Qichen's Visit to Romania

Talks With Prime Minister

OW0909144893 Beijing XINHUA in English 1416 GMT 9 Sep 93

[Text] Bucharest, September 9 (XINHUA)—Romanian Prime Minister Nicolae Vacaroiu and visiting Chinese Vice Premier and Foreign Minister Qian Qichen today pledged that their two countries would make every effort to further bilateral relations.

During a meeting with Qian, Vacaroiu said the Chinese foreign minister's visit would push forward the cooperation between the two countries in the political, economic and cultural fields.

Qian arrived here Wednesday [8 September] for a three-day visit.

Vacaroiu said that a series of important agreements signed by the two sides had provided legal guarantees for the development of bilateral relations. Through common efforts, he added, economic and trade ties would develop even further in the future.

He noted that Romania paid attention to the role played by China in safeguarding peace and stability in Asia-Pacific region and China's economic progress and achievements gave his country great pleasure.

Qian, who is on the first leg of his visit to four Balkan nations, said he had a friendly conversation with Romanian President Ion Iliescu and his talks with Romanian Foreign Minister Teodor Melescanu had achieved very good results.

Qian said he was pleased to be informed that Romania's economy was picking up.

On bilateral relations, he said, at present, Sino-Romanian cooperation needed to seek new ways and new modes as China was striving to build a socialist market economy with Chinese characteristics and Romania was seeking a suitable developing mode.

Qian said China was encouraging its local governments and enterprises to make direct contacts with Romania's related departments and enterprises.

The traditional economic and trade relations between the two countries had recovered since 1991, and both sides held that there was a great latent power for strengthening the ties.

Qian expressed confidence that the potentialities for economic and trade cooperation could be tapped better through common efforts.

Views Foreign Policy With Counterpart

OW1009044193 Beijing XINHUA Domestic Service in Chinese 1551 GMT 9 Sep 93

[By reporters Zheng Jian (6774 1017) and Zhu Youzhi (2612 2589 2535)]

[Text] Bucharest, 9 Sep (XINHUA)—Qian Qichen, vice premier of the State Council and foreign minister, who is currently on a visit here, held a second round of formal talks with Theodor Viorel Melescanu, Romanian state minister and foreign minister, on the morning of 9 September. They exchanged views mainly on the international situation and regional issues, paying particular attention to the situation in the Balkan region.

In a briefing on China's foreign policy, Qian Qichen said: The bipolar situation has come to an end; however, the world is not yet peaceful. Under these circumstances, China's policy is to concentrate on managing its internal affairs and to maintain an independent foreign policy. China does not interfere in the internal affairs of other countries, nor does it allow other countries to interfere in its internal affairs.

He said emphatically: The new international order should have universally observed international norms. It should not allow a handful of countries to issue orders which other countries follow submissively. We should recognize the fact that the world is varied and diverse. Only by doing so can all countries achieve better results in drawing upon each other's experience and in cooperating with each other.

Melescanu appreciated China's basic viewpoints on the international situation and spoke highly of China's contributions to resolving international issues. He said: Romania is willing to increase cooperation with China in international affairs.

In explaining Romania's views on the European situation, he said: With the exception of a few countries, the former Soviet Union and East Europe are generally faced with security problems following the end of the cold war. As West European countries gradually move toward a single

entity, East European nations are showing a different trend. He said: Romania is very concerned about its own security.

The two sides also exchanged views on the peaceful resolution of problems in the former Yugoslavia.

Yesterday evening, Qian Qichen and Melescanu held their first round of talks in which they exchanged views on promoting the further development of relations between the two countries.

Meets Parliamentary Leaders

OW1009064893 Beijing XINHUA Domestic Service in Chinese 0140 GMT 10 Sep 93

[By reporters Zhu Youzhi (2612 2589 2535) and Zheng Jian (6774 1017)]

[Text] Bucharest, 9 Sep (XINHUA)—Cherman, president of the Romanian Senate, and Nastase, president of the Chamber of Deputies, had a cordial meeting with Qian Qichen, the visiting Chinese vice premier and foreign minister, at the Romanian parliamentary building on the afternoon of 9 September.

Nastase, who said he was very delighted to see Qian Qichen again, gleefully recalled his visit to China in 1991 as the Romanian foreign minister. Cherman, in extending his welcome to Qian Qichen's visit, stressed its significance in Romanian-Chinese relations.

Qian Qichen conveyed the greetings from Qiao Shi, chairman of the Chinese National People's Congress [NPC] Standing Committee, and from Li Ruihuan, chairman of the National Committee of the Chinese People's Political Consultative Conference, to the Romanian parliamentary leaders. He said: The exchange of visits by the Chinese NPC delegation and the delegation of Romanian parliamentarians for friendship with China has enhanced the relations between the two countries and two parliaments. He expressed the hope for the continual growth of ties between the two parliaments.

At the meeting, Cherman and Nastase briefed Qian Qichen about the organizational structure, functions, and work of the Romanian Senate and Chamber of Deputies.

Among those who were present at the meeting were Gu Yongjiang, Chinese vice minister of foreign trade and economic cooperation; Dai Bingguo, assistant to the foreign minister; and Chinese Ambassador to Romania Li Fenglin.

On the evening of 9 September, Qian Qichen paid a courtesy call on the staff of the Chinese Embassy and Chinese students studying in Romania.

Polish Deputy Prime Minister on Zou Jiahua's Visit

OW0909140893 Beijing XINHUA Domestic Service in Chinese 1558 GMT 8 Sep 93

[By reporter Tang Deqiao (3282 1795 0829)]

[Text] Warsaw, 8 September (XINHUA)—Polish Deputy Prime Minister Henryk Gorzyszewski said here today that the Polish Government welcomes PRC Vice Premier Zou Jiahua's forthcoming official visit to Poland, which is being seen as "one of the most significant events in Sino-Polish relations" in recent years.

The Polish deputy prime minister made the above remarks when interviewed by RENMIN RIBAO and GUANG-MING RIBAO reporters in Warsaw on Vice Premier Zou Jiahua's coming visit to Poland.

Gorzyszewski, who visited China last June, set a high value on China's rapid economic development, as well as the series of effective measures to establish special economic zones and absorb foreign capital. He said that he was looking forward to meeting Vice Premier Zou Jiahua and discussing with him the further development of relations between the two countries in all fields, especially economic and trade relations. He believed that the Chinese vice

premier's visit "will contribute to strengthening Sino-Polish cooperation in the trade, economic, education, science and technology, and culture fields," as well as "enhancing the mutual understanding and traditional friendship between the peoples of the two countries."

On the present state of bilateral relations, the Polish deputy prime minister said: Current Sino-Polish ties are good, and there are no fundamental conflicts of interest between the two countries. He added: "The Chinese are a great people, and China has great economic potential." Gorzyszewski said that Poland can use some of the specific measures in China's economic reform and believes that exchanging experiences in economic reforms will be useful for Poland and China as both countries are carrying out economic reform.

He was optimistic about the prospects for developing bilateral relations and suggested that exchange visits between government leaders and entrepreneurs from the two countries should be stepped up in the future.

Political & Social

Returned Dissidents Deny 'Repentance' Allegation

HK1009101493 Hong Kong LIEN HO PAO in Chinese
10 Sep 93 p 10

["Exclusive Interviews" by correspondent Tsang Hui-yan (2582 1979 3601): "Wu Guoguang and Li Sanyuan Refute the 'Repentance Pattern' Devised by the Public Security Ministry"]

[Text] New York, 8 Sep (LIEN HO PAO)—On 7 September, the Public Security Ministry on the mainland provided a "repentance pattern" to Han Dongfang, the mainland trade union movement leader who is now stuck in Hong Kong, saying that should he want to enter China he should follow it, as it has been followed by Wu Guoguang, former senior editor of RENMIN RIBAO, and Li Sanyuan, former director of the Voice of "4 June" Broadcast Station. Wu Guoguang and Li Sanyuan said they had never followed the pattern, and responded with "anger, outrage, and ridicule." Wu Guoguang went further in saying that "a big country of 1.2 billion people brazenly lied to the whole world."

Responding to a question raised by this reporter, Song Shen, an official with the education section in the Chinese Consulate General in New York, who handled the return of Wu Guoguang to the country, said he "does not have a very clear impression" regarding this matter; he said he had just talked to Wu Guoguang briefly and Wu Guoguang had never written to the consulate.

A responsible person with the Public Security Ministry pointed out when announcing the conditions for Han Dongfang to return to the country that Han Dongfang must really show repentance, and he must be examined through a period of time to prove that his deeds match his words, before he can return to the country. He said that over the past two years, Li Sanyuan (former director of the Voice of "4 June" Broadcast Station), Wu Guoguang (former senior editor of RENMIN RIBAO), and Xu Gang (former member of Chinese Writers' Association) all returned to the country "like this."

On 31 August, Wu Guoguang, who had just returned to Princeton University from the mainland, and Li Sanyuan, who is currently in Guangzhou holding business talks, all denied the allegation by the Public Security Ministry. Wu said the action by the Public Security Ministry was to deliberately bring shame on dissidents, "too demean" them. He said that the idea of returning to the country came to him last spring, because, first, the country's environment had changed greatly, and second, his parents in Shandong had reached old age. This summer, he passed the qualifying examination required by the doctoral program in political science at Princeton University, and he became more anxious to see his hometown, therefore he phoned the education section at the Chinese Consulate General in New York, asking whether he would be permitted to return home.

Wu Guoguang said the person on the other end of the phone was an official named Song Shen. In the beginning, Song Shen said that since Wu Guoguang is a doctoral student, there should be no problem for him to return to the country. Then, Wu Guoguang talked about his "special condition." He was a senior editor with RENMIN RIBAO, and a member of Zhao Ziyang's think tank. In September 1989 he left the country. After the "4 June" incident, he was fired by RENMIN RIBAO, his home was searched and his property confiscated, and it was announced that he had committed three crimes, which included joining the Association of Chinese Journalists in the United States, making public taped speeches by editors and reporters of RENMIN RIBAO at a debate meeting opposing the "26 April" editorial, and attending the founding ceremony of Federation for Democracy in China as well as drafting its declaration. Wu Guoguang explained that first, regarding the Association of Chinese Journalists in the United States, it was another person who had applied for membership for him, and although he did not know the matter beforehand, he did not find any problem with the association. Second, he thought that making public the above-mentioned taped speeches did not violate mainland laws, and he did not consider attending the founding ceremony of the Federation for Democracy in China a crime. His consistent belief was that he would support the opposition organization, though he had never joined the federation.

After listening to him, Song Shen said that he must ask for instructions from his superior. Soon after he called back and said they had looked into his case, and thought that he meet the spirit of the speech by Deng Xiaoping on welcoming students abroad to return home, because he was a student abroad, and had not joined any prodemocracy organizations.

Wu Guoguang said that after this conversation, he has not sought any more contacts with consulate officials. On 14 July, he set foot on the mainland, and on 31 August, he returned to the United States, not expecting the Public Security Ministry official to create something from nothing.

Li Sanyuan, another person who was reported to have shown "repentance" to a consulate, clarified the case in Guangzhou. He said that in accordance with the policy of welcoming overseas students to return home outlined by Document No. 41 which was issued by the authorities, he returned to the mainland to establish the "enterprises park for Chinese students returning from abroad." Agreeing to let him go home, the officials at the Chinese Consulate General in Chicago wanted him to "write a composition," but he refused, thereafter they did not insist, therefore "repentance" was really a strange story. As for the allegation that he was a "former backbone element of the Federation for Democracy in China," it was not in accordance with the facts, for he had never joined the federation.

Li Peng at Conference on Civil Service, Wage Reform

OW1009092993 Beijing XINHUA in English 0919
GMT 10 Sep 93

[Text] Beijing, September 10 (XINHUA)—Chinese Premier Li Peng said here today that while setting up a civil service system China should also reform its wage system.

The premier described these as major tasks in China's political life and part of the country's political restructuring, while meeting with participants to a national conference before its opening.

He said both the Central Committee of the Communist Party of China and the State Council attach great importance to these reforms and have held several discussions on the topics. In addition, provisional regulations on state public servants have been issued.

Li said the conference, which opened here today, is designed to draw up a plan for and discuss the problems in implementing the reform measures in accordance with the regulations.

China has studied the advantages of the civil service systems of some developed countries while inheriting and carrying on the fine traditions of the cadre system established in the past few decades, said the premier.

Li said all these efforts aim to build a civil service system which is clean and devoted to duty, thus meeting the demand of building socialism with Chinese characteristics and establishing the mechanism of a socialist market economy.

While establishing the civil service system, the wage system reform should also be undertaken, he said, adding that Chinese civil servants have been working hard and made great contributions to the cause of socialist construction.

With the development of the national economy and the establishment of the civil service system, the wages of civil servants will be gradually raised, the premier said.

Article Views Reform of Government Personnel System

OW1009052693 Beijing BEIJING REVIEW in English
No 36, 6-12 Sep 93 pp 4-5

[Article by Dai Yannian from the "Notes From the Editors" section: "Major Reform of Personnel Management System"]

[Text] The recently published Provisional Regulations on State Public Servants will go into effect on October 1. The regulations explicitly stipulate the various stages in the management of public servants, from the time they enter institutions to retirement. Implementation of a public service system represents another major move in the restructuring of China's political system, following state structural reform which commenced this spring.

The public service system is designed to meet the needs of China's economic construction, an area defined as a central task, and the development of a socialist market economy. As early as 1980, Deng Xiaoping, chief architect of China's reform, called for throwing established conventions to the winds and increased bravery in attempts to reform inappropriate organizational and personnel systems. Since that time China has actively engaged in exploration efforts regarding the reform of its personnel system and has precisely defined a policy for the ranks of cadres. The policy says that a cadre should be "revolutionary, young, knowledgeable and professional."

China has also established a retirement system for veteran cadres, and has abolished the long-existing practice of life-long employment for those holding leading posts. The single appointment system previously used to select cadres for employment has been eliminated, and a variety of recruitment methods, including appointment, selection, examination and invitation, have been adopted. A personal responsibility system has been implemented in administrative institutions, and cadres are now assessed through democratic appraisals. In recent years, a number of institutions have experimented with the public service system. All these efforts provided a vast source of experiences, and greatly enhanced preparations for switching to the newly adopted state public service system.

The Communist Party of China and the government have long exerted considerable effort to create sound traditions regarding the management of cadres, an effort which history has proved to be successful. For example, cadres are always required to have both ability and political integrity. All these fine traditions are fully embodied in the provisional regulations.

Public service systems are the common result of the common development of human civilization, and numerous scientific management methods have been created by various countries who have learned from each other. In formulating its provisional regulations on public servants, China paid great attention to absorbing useful scientific management expertise and methods used in other countries. For example, the application of the principles of publicity, competition and legal management weigh heavily in the new public service system.

Previously, China followed a single management method for various types of cadres and the public service system was applied mainly in government departments. Enterprises and various other sectors, on the other hand, operated under differing personnel management systems. Therefore, the establishment of a comprehensive public service system not only marks the introduction of a personnel management system with Chinese characteristics into state administrative organizations, but also reflects China's effort to establish a management system for different personnel.

The provisional regulations stipulate that the methods of public examination, and strict assessment and selection of only the most highly qualified recruits will be adopted for the employment of public servants. Strict assessment of all

public servants will be the cardinal rule. Rewards and punishments, training, promotion, wage increases and upgrades in work assignments will be based on assessments and follow relevant procedures. This practice, which will have the effect that public servants can work both in higher and lower levels, will help activate enthusiasm, inspire full creativity and overcome the previous defect of no distinction between good and bad workers.

The normal retirement age for public servants is 60 for men and 55 for women. However, those who meet certain requirements have the option of early retirement. Personnel exchange between government departments will be allowed and a system of appointment by invitation will be adopted for some posts. A mandatory retirement age will be stipulated according to different positions, and a method for handling resignations and dismissals will be adopted. Such stipulations will make the recruitment and transfer of government employees possible, and in turn will inject added vitality and vigor into government institutions.

Diligent and honest administration, the basic requirement for government employees, permeates through all facets of management, including the duties and rights of government employees, discipline, recruitment, promotion, assessment, and rewards and punishments. For example, the duties of public servants include "justice and honesty, and wholehearted devotion to public duties." Regarding discipline, the regulations stipulate that public servants shall not engage in corruption, embezzlement, offering and accepting bribes, or abusing power to seek selfish interests for themselves or others. They shall not squander public funds, waste state assets, engage in commercial business, operate enterprises or participate in any other lucrative business activity. Disciplinary action will be taken against violators in accordance with the seriousness of their case, and those guilty of crimes shall be investigated to determine if they are in fact responsible for a crime. Public servants will be subject to a so-called "stand-off" system. The system clearly stipulates that married couples, direct or blood relations, collateral relations within three generations, as well as individuals related by marriage shall not hold posts in an institution where both sides are directly subordinated to the same administrative leader. Neither shall such individuals hold posts characterized by direct leadership relations between upper and lower levels of management, or in an institution where one party holds a leading post, the other party shall not engage in supervisory, auditing, personnel and financial related activities. In general, public servants holding leading posts in local people's governments, at or below the county level, shall not assume office in their ancestral home towns. These aforementioned stipulations will institutionally urge public servants to be honest in performing their public duties.

Implementation of the public service system is a major event involving sweeping changes in the personnel management system of government institutions. The move is also somewhat complicated since it is being carried out against a background of government structural reform and

a reduction in the size of staff. In light of these factors, it will be carried out in a planned and systematic manner. The establishment of the new personnel management system nationwide is expected to take at least three years.

'Pen Talk' on Studying Deng Theory, Part 7

HK0109151893 Beijing RENMIN RIBAO in Chinese
27 Aug 93 p 5

["Pen Talk on Army the Whole Party With Comrade Deng Xiaoping's Theory of Building Socialism With Chinese Characteristics" by Ji Li (1323 2621), contributed by the Hebei Provincial CPC Committee: "On the Strategic Steps for Building Socialism—Seventh in a Series of Articles on Studying Comrade Deng Xiaoping's Theory of Building Socialist With Chinese Characteristics"; the sixth "Pen Talk" in the series on Deng's theory was published in the Political & Social section of the 27 August China DAILY REPORT, pages 19-22, under the headline "Sixth 'Pen Talk' on Studying Deng Theory"]

[Text] What strategic measures are to be employed in realizing socialist modernization is an important issue that must be resolved in building socialism with Chinese characteristics. Comrade Deng Xiaoping's strategic conception in seeking to basically realize socialist modernization in three steps has now become an important component of the theory on building socialism with Chinese characteristics through tests and gradual completion and perfection in the practice of economic development over the past dozen or so years as well as the common goal of struggle for the 1.1 billion Chinese people.

The Three-step Strategic Measure Was Determined Based on the Fundamental National Conditions in the Initial Phase of Socialism

To basically realize modernization and get close to or catch up with developed countries in a comparatively short period in a socialist country which was founded on the basis of a semi-colonial and semi-feudal society and which was comparatively backward economically and culturally, practical and feasible strategic measures must be employed alongside a correct line, principles and policies. Our party has learned a profound lesson in this area. In the past, impractical strategic plans that were not in line with the national conditions at that time jeopardized balanced development in the national economy, slowed the progress of socialist construction, and dampened the enthusiasm of the cadres and masses. Comrade Deng Xiaoping profoundly summarized China's 30 years of experiences and lessons in economic construction and explicitly indicated: "China's affairs must be run in accordance with China's conditions," "we must start from China's realities in our modernization effort." By no means should we rely on subjective supposition in decisionmaking when it involves decisions on great strategic goals and scientific strategic measures; we must genuinely "achieve an accurate grasp and have a clear picture of the mutual relations of various factors in our national conditions and economic activities, and we will determine our long-range plan on this basis."

In the wake of the "cultural revolution," the greatest difficulty facing our party and country was precisely the unresolved problem of the Chinese people acquiring sufficient food and clothing. According to a sample survey, before 1979, the per capita annual net income of the Chinese peasants was only 134 yuan, and a considerable portion of the peasants had to live off relief or grain that was resold by the state to the locality. The per capita income of the rural populace was only 316 yuan, and this made even subsistence relatively difficult. Facing reality, what Comrade Deng Xiaoping primarily thought of was "a solution to the problem of food and employment" in formulating a strategic measure for socialist modernization. On many occasions, he said that it was poverty that socialism must eliminate, and poverty was not socialism. That being the case, at the turn of the 1970's and 1980's, Comrade Deng Xiaoping began to set forth the strategic measure of taking two steps; specifically, the first step was to realize the doubling of the 1980 GNP to resolve the problem of sufficient food and clothing for the people; the second step was to quadruple the GNP by the year 2000, enabling the people's living standards to arrive at the comparatively well-off level. With the development of reform, opening up and modernization between 1984 and 1987, Comrade Deng Xiaoping set out the third-step strategic conception. He said, "After quadrupling the GNP by the year 2000, we shall have another new target; we will spend 30 or 50 years to approach the level of the economically developed countries." Later, on the basis of further studying the national conditions, he explicitly developed, completed and perfected the two-step strategic measure into the three-step one, with the 20-year period for the two-step strategic measure extending to 70 years for completing the three-step measure. The strategic goal of achieving the comparatively well-off level, with a per capita GNP between \$800 and \$1,000 by the year 2000 was developed to achieving a per capita GNP of \$4,000 by the mid-21st Century, thus modernization would be basically realized. The 13th Party Congress fully affirmed this strategic arrangement, and, on this basis, the 14th Party Congress set out three targets for struggle in the near and long-range future. Namely, the new socialist market economic structure would be initially built in the early 1990's to fulfill the second-step goal of development. By the time we mark the centennial of the CPC's founding, we would shape a whole range of more mature and finalized institutions. On this basis, by the time we mark the centennial of the PRC's founding, we will be able to accomplish the third-step development goal and will have basically realized socialist modernization. The three-step strategic measure was made all the more specific and standardized in this way.

The three-step strategic measure has fully embodied the objective of socialist production of continuously meeting people's ever-increasing material and cultural demand, has given people across China a short-range plan and a long-range goal for changing their poverty-stricken and backward situation and gradually realizing modernization, and has specified the schedule for China to join the rank of the world powers. This development strategy is not beyond

reach and can be achieved through the appropriate effort; at the same time, it is an active goal, a great conception, and reflects the lofty aspirations and great ideals of the Chinese people. Inevitably, it will further reinvigorate the national spirit, magnify the rallying force of the Chinese nation, and stimulate the whole party and people across China to go all out to make the country strong and do pioneering work with fortitude.

The three-step strategy for development is not simply a matter of economic indicators; rather, it has far-reaching political significance. Socialism is superior to capitalism precisely because it is capable of securing the rapid development of the social productive forces and the consequent continual improvement in the people's material and cultural standards of living; the three-step strategic measure explicitly delineates the level and range of such improvement. It took the developed capitalist countries 200 years to realize industrialization, the socialization and modernization of production, and the conversion of products to commodities. If we count from 1956 to the mid-21st Century, it will have taken China only 100 years to basically achieve the same goal; this alone is the most powerful evidence of the advantages of socialism. It is precisely in this sense that Comrade Deng Xiaoping has on several occasions demonstrated the strategy of economic development being a political goal. He said that we would realize the third-step strategic goal and arrive at the level of a medium developed country by the mid-21st Century: "First, it would be difficult arduous and not easily achieved; second, it will involve genuinely making contributions to mankind; and third, it will be able to embody the advantages of the socialist system. ...Especially when we take China's large population into consideration, if the population has grown to 1.5 billion by that time, with a per capita income of \$4,000, the annual GNP will be \$6,000 billion, and then China will be in the vanguard in the world. Our experience will show the Third World, which accounts for three-fourths of the world population, that there is a way out; more importantly, it will demonstrate to mankind that socialism is the inevitable road and that socialism is superior to capitalism."

To Seize the Opportunity To Develop the Economy and Work Hard to Reach a New Height Every Few Years Is the Correct Way To Realize the Three-Step Strategic Measure

The basic way to realize the three-step strategy is "to seize the opportunity to develop ourselves; the key lies in developing the economy." The rate of economic development determines a country's fate and place in international competition. The essence of international competition is a contest based on comprehensive national strength, which is comprised of economic factors and science and technology. Today, at a time when the waves of international economic development are surging, a low economic growth rate means a country is not developing and will become increasingly backward in the larger international environment. Furthermore, when a country is backward, it becomes passive, it has great difficulty in making accomplishments in many aspects, and it will even be beaten and

bullied. If socialism wants to surpass capitalism both economically and politically, it must first surpass capitalism in terms of its economic growth rate and returns, creating higher labor productivity and a faster growth rate. What good is boasting if this point is not achieved? True, we must rely on political struggle in opposing peaceful evolution, but the most convincing and helpful way to resolve problems is to promote economic growth as quickly as possible, magnify comprehensive national strength, and build China into an economic power to enable the people to live comfortably. This is the most fundamental interest of the Chinese people as well as the base on which the Chinese Communists stand. Today, we are facing challenges as well as an extremely good development opportunity. Viewing the international environment, the bipolar international system has already disappeared, and the situation is developing toward multipolarity. This will enable us to have a peaceful international environment over a comparatively long period to focus our efforts on modernization. The Asia-Pacific Region, in which China is located, is becoming a region of relative political stability with the most vigorous vitality in economic development in the world; this is very helpful to China's economic development. With a new science and technological revolution on the rise and a new round of readjustment in the industrial setup, large amounts of surplus capital are seeking a new investment market. All this has provided new opportunities for China's economic development. Viewing China's domestic conditions, through reform and opening over the past dozen or so years, the ranks of China's comprehensive economic strength and major industrial and agricultural output have gone up, thus laying a foundation for continuous progress. The party's basic line has captured the people's hearts, and the whole country is enjoying political stability and social tranquility. This provides powerful insurance for us to focus our efforts on accelerating economic construction. The opportunity is an objective existence, but it will disappear if there is any carelessness on our part. Whether or not we are able to seize and make good use of the opportunity has a bearing on the realization of the three-step strategic goal, the fate of the Chinese nation, and China's future. This being the case, Comrade Deng Xiaoping has time and again admonished us as follows: "I hope that you will not lose this opportunity; China does not get many opportunities for great development." Chinese history has taught us many profound lessons about missed opportunities. We should refer to this history, have an understanding of the pressures posed by the times, and grasp the opportunity. It is necessary for us to have a sense of historical responsibility and prize the opportunity; in addition, it is necessary to acquire a scientific attitude, make good use of the opportunity, and deepen reform and expand opening up with greater courage to promote China's economic growth as quickly as possible.

To realize the three-step strategy, it is imperative to be brave at developing by leaps and bounds and to work to pass through several phases characterized by a comparatively fast growth rate and better economic returns, so that

the economy will reach a new height every few years. When the external environment and internal conditions are mature, we should seize the opportunity and make our own economy leap to a new height after a period which includes several phases of rapid growth. This approach has been proven by the successful experiences of many countries and regions, as well as the practice of economic development in China since reform and opening up. The successful experiences at home and overseas have told us that the growth rate and economic returns go hand in hand. The growth rate we require is one based on improving quality, optimizing structure, improving economic returns, and meeting the demands of the domestic and overseas markets; only this type of growth rate will be sustainable. It is necessary to strive for the highest possible growth rate while starting from the actual conditions to do what one is capable of; by no means should we divorce ourselves from local realities and blindly compare ourselves with others. We should dare to think, blaze new trails, and take "risks," while paying attention to being sure and steady to avoid losses, especially large ones.

To Allow and Encourage Some Localities and People To Get Rich First and Gradually Realize Common Prosperity is a Great Policy for Realizing Modernization in Three Steps

To realize the three-step strategy, a series of correct principles and policies is called for. Some places and people should be allowed and encouraged to get rich first as a way to gradually achieve common prosperity; that has been a major policy, which Comrade Deng Xiaoping was the first to set out. Back in 1978, he said, "In economic policy, I believe that some places, a number of enterprises, and a portion of the workers and peasants should be allowed earn higher incomes thanks to their diligence, hard work and great achievements; they should be the first to lead a better life." "This is a major policy, one that is capable of affecting and bringing along the entire national economy. I suggest you comrades earnestly consider and study the issue."

In taking the road to common prosperity, some places and people arrive at their destination earlier and others later; some travel faster while others go slower. This falls in line with the objective laws governing economic development. China is a large developing country, and there are great differences in the objective conditions between various places, for example, between urban and rural areas and between various trades. It is impossible for all departments to keep abreast of economic developments to achieve simultaneous prosperity. We adhere to taking public ownership and distribution according to work as the main body, with other economic factors and ways of distribution being complementary. The experiences and lessons of dozens of years have testified to the truth that egalitarianism can only bring universal poverty, and common prosperity is out of the question. It was precisely through summarizing this historical experience and proceeding from reality that Comrade Deng Xiaoping set out the policy of allowing and encouraging some localities and individuals to get rich first.

The fundamental objective of the policy of allowing and encouraging some localities and people to get rich first lies in stimulating competition, improving efficiency and promoting rapid national economic growth. When a number of people get rich first, it will inevitably have extremely great exemplary effects, affecting their neighbors and bringing along other places and units to learn from them. Thus, a situation by which those people who have not yet become rich will catch up with those who have, and the latter will aim at a still higher target in making progress. The course of such competition is actually one of advancing toward common prosperity. This course is always realized through popularization from the part to the whole. For years, we had all along been perplexed by the attempt to achieve simultaneous fairness and efficiency; it seemed that, when consideration was shown to fairness, the improvement of efficiency was very difficult; more often than not, we had to resort to the pursuit of egalitarianism at the expense of efficiency. Consequently, efficiency remained low, and genuine fairness was not achieved. This major policy of Comrade Deng Xiaoping has provided us with the best way to resolve the contradiction between fairness and efficiency and has basically settled the issue of the inherent impetus for economic development.

To take the socialist road, it is necessary to realize common prosperity. Only by adhering to the goal of common prosperity will it be possible to genuinely represent the personal interests and fundamental will of the people. If our policy leads to polarization, that would be tantamount to failure. If a new capitalist class were to surface, that would mean that we have gone astray. The reason why we allow and encourage some localities and some people to become rich first is precisely because those places that have become rich first should help and bring along those places that will become rich later. The issue of excessive differences in income during this process must be resolved appropriately. Developed localities and individuals who have become rich first will have the sufficient strength and experience to help undeveloped localities and individuals who have not yet become rich after they have amassed great economic strength. Should those who became rich first be forced to help those who would become rich later too soon, it would inevitably weaken the vigor of developed localities and would dampen the enthusiasm of those individuals who became rich first. When those who have become rich first help those who will become rich later, the practice of "eating from the same big pot" should not be encouraged, nor should "egalitarianism and the indiscriminate transfer of resources" be conducted. This aid should be effected through taxation, various other policies, and such economic methods as technological transfer, which is characterized by learning from others' strong points to offset one's own weakness. Voluntary economic cooperation based on mutual benefit should also be encouraged. At the same time, the state will continue to implement the policy of supporting the impoverished, with a focus on augmenting the procedures for generating economic growth in impoverished localities and households. The impoverished localities must base

themselves on self-reliance, must overcome the thinking of relying on the state, must give full play to the advantages of their own localities, must quicken the pace of economic development, must gradually narrow the gap between themselves and the developed areas, and must continuously advance toward the goal of common prosperity.

'Pen Talk' on Deng's Anticorruption Remarks

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[*"'Pen Talk' on Arming Entire Party With Comrade Deng Xiaoping's Theory of Building Socialism With Chinese Characteristics" by Wang Zhaozheng (3769 0340 6891): "Carrying Out Reform and Opening Up With One Hand and Combating Corruption With the Other"—Studying Comrade Deng Xiaoping's Important Expositions on Anticorruption"*]

[Text] Since the Third Plenary Session of the 11th CPC Central Committee, our party has persistently paid attention to anticorruption work in the course of exercising leadership over reform, opening up, and modernization. Proceeding from the fundamental interests of developing China's socialist cause, Comrade Deng Xiaoping has given a series of important instructions on rectifying the party's style, strengthening clean administration, and combating corruption. These instructions are an important component of the theory on building socialism with Chinese characteristics and serve as ideological weapons for the present fight against corruption.

Anticorruption Is the Guarantee For Building Socialism With Chinese Characteristics

Since the introduction of reform and opening up, Comrade Deng Xiaoping has persistently stressed the importance of "doing two things simultaneously." When making important remarks during an inspection of south China in early 1992, he once again explicitly pointed out: "Corruption must be opposed in the entire process of reform and opening up. Cadres and communist party members must regard running a clean administration as an important matter." It is necessary to persist in doing two things simultaneously, to carry out reform and opening up on the one hand and crack down on criminal activities on the other. These two must receive equal stress and the two civilizations must show signs of progress. "This is socialism with Chinese characteristics."

In the last few years, Comrade Deng Xiaoping has meticulously provided guidance for reform and opening up while paying close attention to anticorruption work. Viewing anticorruption from the angle of the era as well as from the historical mission of the party and socialism, he stressed that this "is a guarantee for us to persist on the socialist road and bring about the four modernizations." He solemnly pointed that if we did not pay serious attention to this, treat it conscientiously, and earnestly resolve it, "then our party and state will really face the problem of whether or not 'it will change its features.' This is not exaggerating the problem just to scare people." To

help people have "a better understanding and a profounder view" on rectifying the party's style and opposing corruption, he explained the importance of this work from different aspects and different levels.

—Opposing corruption is an important requirement for upholding the socialist nature. In a speech at a national party congress in 1955, he said: "We are working for socialism not only because socialism has the conditions to develop the productive forces faster than capitalism but also because only socialism can eliminate all kinds of avarice, corruption, and unfairness, which are inevitable under capitalist and other exploiting systems." Poverty, backwardness, or ignorance does not stand for socialism and neither does corruption, degeneration, or crime. Socialist society is one with overall development and overall progress. Corruption is incompatible with socialism. Fundamentally speaking, corruption is a product of the exploiting system and exploiting class. Eliminating corrupt practices—the dregs of history—is one of the tasks of socialist society. The fight against corruption conducted by the party and the people is a component of adhering to the four cardinal principles and building socialism with Chinese characteristics.

—Opposing corruption is the fundamental condition for upholding the party's nature and aim and developing the party's strong points. Our party has always considered wholeheartedly serving the people as seriously opposed to abusing power for personal gain and other negative and corrupt practices. Prior to China's liberation, Comrade Mao Zedong reminded the entire party to guard against "sugarcoated bullets and subsequently a struggle was waged against corruption. After the Third Plenary Session of the 11th CPC Central Committee, Comrade Deng Xiaoping stressed the importance of "opposing privileges among some communist party members and some party-member cadres" and explicitly pointed out: "In rectifying our party and fulfilling our strategic objective, there really is the risk of failure for us if corruption is not curbed, particularly within the party."

—Opposing corruption is the necessary condition for building close ties between the party and the masses. The masses are the source of our strength. We have always attracted and united with the masses because we have the fine traditions of being honest, sincere, selflessly dedicated, and diligently serving the people. "Malpractices among a small number of party members and cadres are unfavorable to restoring the party's reputation among the masses." Without uprooting these diseases which have permeated the healthy body of the party, "how can we educate young people and exercise leadership over the country and people in socialist construction?"

—Opposing corruption is the necessary condition for stabilizing popular feelings and maintaining social stability. In building socialism with Chinese characteristics, a political situation of stability and unity is necessary. Corrupt practices, particularly those among some

party members and cadres, constitute factors for instability which will turn into explosive catalytic and combustion agents. As early as the party's Eighth National Congress, Comrade Xiaoping said: "Some people in our party have turned the relations between the party and the people upside down. They are absolutely not serving the people but are abusing their powers among them and perpetrating all kinds of bad things in violation of law and discipline. This is a vicious style opposing the people and is a portrayal of the old ruling class style in our ranks. True, these cadres are small in number but the harm is serious." When summing up the lessons from the 1989 political storm, Comrade Deng Xiaoping said: "We are carrying out reform and opening up on the one hand and curbing corruption on the other. A comparison between these two will enable our policy to become more explicit and clear and it will enjoy more popular support."

—Opposing corruption is a decisive demand for developing the spirit of building the country through arduous efforts and for developing China's national economy. Comrade Deng Xiaoping pointed out that: "In carrying out the four modernizations, China must do it honestly through arduous efforts." The more developed our country is, the more the arduous spirit is necessary. Corruption not only ruins the general mood of society and slackens popular will but also directly harms economic construction. Corruption means termites and moths in the socialist mansion. "You are building the country through arduous efforts here but he is practicing bribery and corruption there. How can this work?" For the sake of development, China must carry out reform and opening up. Opposing corruption will help remove interference in reform and opening up, so that "the policy of opening up to the world and invigorating the domestic economy will forge ahead in the correct direction." Otherwise, "the four modernizations and the reform on opening up to the world and invigorating the domestic economy will fail." For this reason, Comrade Xiaoping repeatedly stressed that "some corrupt practices which seriously ruin the general mood of society must be resolutely stopped and prohibited."

Be Determined To Overcome All Obstacles and Produce Results

The party's line is correct, its main aspect is good, and the majority of party members and cadres are honest and sincere. Since the Third Plenary Session of the 11th CPC Central Committee, the fight against corruption has produced results but, frankly speaking, there are really corrupt practices in the party and state organs. Some corrupt practices are growing and spreading. The fight against corruption is facing a grave situation and, in view of this, Comrade Xiaoping pointed out bluntly in 1982: "We now see many problems, economic crimes are very serious, and many cases have remained unresolved. There are serious criminal activities and criminals not only in the economic but also in the political and cultural fields." "Some comrades are soft-hearted on some problems." "This matter has not just been brought to our attention today. We have

talked about it for at least two years but some comrades are not determined enough to handle it." In 1985, he once again seriously pointed out: "Taking China as a whole, the results are not good enough." "The pernicious influence of capitalism and feudalism has not been reduced to a minimum. On the contrary, something which had vanished for long after liberation has now reappeared." He stressed the need "to be firmly determined to swiftly change this situation." During a speech on 9 June 1989, he pointed out: "When special economic zones were being established in the early 1980's, I told Guangdong comrades to pay equal attention to reform and opening up as well as to seriously cracking down on economic crimes, including doing ideological and political work properly. This is a two-point view. But a review of the past indicates a conspicuous lack of equal stress. One aspect is stressed but less importance is attached to the other. These two do not conform with each other and do not coordinate well." After the Fourth Plenary Session of the 13th CPC Central Committee, when talking with the new central leaders, Comrade Deng Xiaoping once again said that curbing corruption had been "stressed on many occasions for many years in the past" but no effective results had been achieved; the new collective leadership "must do several things which can satisfy the people. There are mainly two aspects, one is carrying out reform and opening up more boldly and the other is curbing corruption."

When scientifically analyzing the cause for the existence of corrupt practices, as well as for their growth and spread in some fields, Comrade Deng Xiaoping also scientifically explained the objective factors and social and historical causes for the emergence of corrupt practices, pointing out that we lacked subjective initiative in work. This means that there are ideological factors as well as factors involving advantages, disadvantages, and interests. On the one hand, some of our party cadres "have not understood the gravity of the problem, so they only treat it as an ordinary issue." More importantly, this is because some of our party cadres or their family members are deeply involved.

Comrade Deng Xiaoping views the fight against corruption from the high plane of the destiny of the party and state. He stressed the need "to be determined to overcome all obstacles" and "to make genuine efforts instead of being soft-hearted." "As I see it, genuine efforts can hold out much hope, lax efforts provide no hope." Comrade Deng Xiaoping summed up the party's historical experience in opposing corruption and proposed many important guiding principles for "making genuine efforts" in the struggle against corruption under the new historical conditions. These are mainly as follows.

- "Making determined efforts without relaxing even for a single day." We must resolutely and unequivocally examine and deal with corrupt practices according to party discipline and state law, no matter who is involved in these cases. "Only thus, will our determination be really expressed."
- Carrying out education on building the country through arduous efforts in the entire party. First of all "senior

cadres must take the lead in developing the party's fine traditions." In 1979 he pointed out: "The rectification of the party's style and the improvement of civilian habits should start with our senior cadres." "The masses are opposed to privileges, as are grass-roots cadres. First of all, this refers to our senior cadres." "If our senior cadres can resolve problems in this respect, they will be able to justifiably resolve similar problems throughout the country. Without resolving problems in the higher authorities, we have no right to speak."

- "In bringing about a turn for the better in the party's style and the general mood of society, we must proceed from specific cases." "The more senior the cadres and the more famous the persons are, the more efforts should be made to examine and deal with their violations of law so that typical cases can be grasped. Because their crimes have caused serious harm, great results will be produced if they are dealt with properly. This expresses our determination to overcome all obstacles in building spiritual civilization." In 1989 Comrade Deng Xiaoping explicitly stressed: "In curbing corruption, we must seriously fulfill some major jobs; at least we must deal with 10 to 20 cases, with a high degree of transparency."
- Dealing with cases according to law without relaxing our efforts. The state has its law and the party also has its rules and law. The formation of a clean administration relies on education and the legal system. In 1982 Comrade Deng Xiaoping pointed out the need to "stop this tendency quickly and strictly." "Without a certain impetus, it is impossible to stop this tendency! This problem must be dealt with seriously." But "no movement will be waged." Cases must be dealt with according to law. "It must be turned into a regular job and struggle." In 1986 he pointed out again: "We still have to follow our previous ideas. In carrying out the four modernizations, we must employ dual tactics. One tactic will not do. By dual tactics, we mean laying equal stress on construction and the formation of the legal system. The party has its discipline and the state has its law."

Opposing corruption is a long-term task to be carried out in the entire process of reform and opening up. When stressing the need to resolutely stop this vicious tendency, Comrade Deng Xiaoping also advised the entire party: "This is a prolonged and frequent struggle. As I see it, this struggle will remain until the fulfillment of the four modernizations." "There will be a struggle every day" and "it will remain in the entire process of our socialist modernization." "This is not only a matter for this year alone, this is only the beginning." When talking about rectifying the party's style in 1986, he said: "Even with this great determination, at least a 10-year endeavor is necessary to restore the party's style and the general mood of society to the best level of the 1950's." This means reducing corruption to the "possible minimum." Therefore the struggle against corruption must proceed step by step with a short-term objective, producing results by stages. The three aspects of work proposed by the Second Plenary

Session of the Central Discipline Inspection Commission for short-term fulfillment embody this strategic idea.

Guangxi Leader: Antigraft Campaign May Slow Reform

HK1009105393 Hong Kong SOUTH CHINA MORNING POST in English 10 Sep 93 p 8

[By Willy Wo-lap Lam]

[Text] A regional leader has warned that the anti-corruption campaign could slow the pace of China's market reforms.

The warning from Guangxi Governor Cheng Kejie came amid signs that the month-old anti-graft crusade had grown into a Maoist mass movement.

"In waging the anti-corruption struggle, we must be on guard against leftist methods in order to avoid losses in production and (other) economic work", the China News Service quoted Mr Cheng as saying.

Mr Cheng hinted that leftists, or remnant Maoists, were indirectly attacking the entire reform programme on the grounds that Western style ways of doing business would inevitably spawn corruption.

"It is not right to pit the anti-corruption effort against economic construction," Mr Cheng said.

He added that while battling graft, cadres must not lose sight of the core status of economic construction.

"We must ensure the normal operation of economic work and production (during the campaign)," he said.

The Governor added that while carrying out their investigations, graft-fighters must "protect the (reformist) zeal of cadres and the masses".

Chinese sources said that in anti-corruption exercises in the 1980s, many reformist cadres and entrepreneurs were forced to resign on trumped-up charges.

Meanwhile, there is more evidence the anti-corruption crusade has taken on elements of a Maoist mass movement.

Following Beijing's lead party committees in various provinces and cities have held high-level meetings as well as "mass education" sessions and rallies on the subject.

At an enlarged meeting of the Guangdong provincial party committee on Tuesday, secretary Xie Fei, who is also a Politburo member, launched a "large-scale struggle to combat corrupt phenomena and to implement a clean party style".

The Chinese media has reported that authorities in cities including Guangzhou, Guiyang and Tianjin have encouraged citizens to report on corrupt officials through special hot lines.

NPC Standing Committee Members on Economic Growth

OW0909133593 Beijing XINHUA Domestic Service in Chinese 0752 GMT 1 Sep 93

[By correspondent Sun Benyao (1327 2609 1031)]

[Text] Beijing, 1 Sep (XINHUA)—Members attending the Third Session of the Eighth National People's Congress [NPC] Standing Committee examined and discussed Chen Jinhua's report on implementing the national economic and social development program and Liu Zhongli's report on implementing the state budget this morning. They maintained that the two reports were in line with the actual situation, and the measures they proposed were good. To achieve sustained, fast, and sound economic growth, the whole nation must firmly and properly carry out these measures in conjunction with the actual situation and according to the principles, policies, and measures of the CPC Central Committee and the State Council for strengthening macroeconomic regulation and control.

Some members noted: China has made remarkable achievements in economic development since the beginning of the year. Over one month or more of efforts, initial results have been achieved in implementing measures to strengthen macroeconomic regulation and control. Under such favorable conditions, however, we should have a clear awareness that there are still some fairly serious problems in the economy, and it will be an arduous task to solve them.

Vice Chairman Wang Guangying said: It is imperative to follow through with the CPC Central Committee's and the State Council's principles, policies, and measures exactly as they are. Member Yang Zhenhuai said: A noteworthy problem is that local authorities have ways to dodge state policies. In other words, they go their own way, while paying lip service to supporting central authorities' policies. All localities should be more aware of overall needs and firmly execute the central authorities' decisions and policies. Member Huang Yuzhang said: Although economic construction has its own laws and characteristics, the solemnity and authority of government decrees should be safeguarded for the sake of national interests.

Dong Fureng and other members said: The central authorities' current measures for strengthening macroeconomic regulation and control are proper and effective; however, strengthening macroeconomic regulation and control is quite difficult during the process of establishing a market economy. To strengthen macroeconomic regulation and control, efforts exerted in this regard should be combined with efforts to deepen reform, maintain appropriate economic growth, increase enterprises' economic returns, and restructure the economic system.

Member Sun Tingfang said: A series of supporting laws and regulations are needed to ensure sustained, rapid, and sound economic development in China. We should control monetary manipulation, money market operations, and financial institutions' conduct concerning laws, particularly the "Central Bank Law," the "Commercial Bank

Law," the "Law on Negotiable Instruments", and the "Securities Law," which are of significant importance to financial reform. Stepping up economic legislation will promote China's economic development as a whole.

While deliberating on the reports, Vice Chairman Sun Qimeng expressed the hope that the State Council and its subordinate departments will continue to reaffirm the strategic thinking of giving priority to educational development and do all they can to intensify their efforts to reform and develop education on that basis.

Members Zhou Nan and Huang Yicheng said: Initial results have been attained in the central authorities' measures for strengthening macroeconomic regulation and control for economic development. But greater efforts must be made to deal with unresolved problems properly. We should conscientiously sum up experiences and lessons and take practical measures to avoid a recurrence of drastic ups and downs in economic development and to maintain sustained, rapid, and sound economic growth.

Chen Junsheng Addresses Qinghai Dike Disaster Issue

OW0909124793 Beijing XINHUA Domestic Service in Chinese 1201 GMT 4 Sep 93

[By Central People's Broadcasting Station correspondent Liu Zhenying (0491 2182 5391) and XINHUA correspondent Zhang Jianjun (1728 1696 6511)]

[Text] Beijing, 4 Sep (XINHUA)—After hearing a briefing by a State Council task force on the Qinghai disaster area, Chen Junsheng, state councillor and head of the State Flood Control and Drought Relief Headquarters, said: The Party Central Committee and the State Council are very concerned about the collapse of the dike at Gouhou Dam. CPC General Secretary Jiang Zemin, Premier Li Peng, and Vice Premier Zhu Rongji have repeatedly inquired about the situation and causes of the accident, and instructed the relevant departments to properly carry out relief work without fail. Chen Junsheng hoped people of all nationalities in the affected area will unite as one, display the spirit of self-reliance, work hard in spite of the difficulties, and resume production and rebuild their homeland as soon as possible.

Liu Jimin, deputy secretary general of the State Council who led the task force to the disaster area, reported on the events leading to breach of the dike at Gouhou Dam in Hainan Tibet Autonomous Prefecture, Qinghai Province; the losses sustained; the progress of relief work; and the problems that need to be solved. Liu Jimin stated: The losses suffered from the collapse of the dike at Gouhou Dam are serious and the lessons far-reaching. After the outbreak of the disaster—and with the kind concern of the Party Central Committee and the State Council, and under the personal leadership and command of the responsible principal officers of the Qinghai Provincial Party Committee and government, coupled with arduous efforts by cadres at all levels—the masses, project technical personnel, public security cadres and police, armed police officers and men, as well as medical, rescue, and relief

workers have achieved noticeable results; work concerning the handling of the problems of the victims killed in the disaster, prevention and treatment of epidemic diseases, and resettlement of the victims has been proceeding smoothly. Presently the feelings of the masses are relatively stabilized, social order is good, production has been restored, and rehabilitation is in full swing.

At the meeting, Chen Junsheng pointed out: On the whole the flood control situation nationwide this year is good. However, the flood-prone period is not over yet, and flood prevention is still arduous. Leaders at all levels and relevant departments must heighten their consciousness toward floods, enhance their sense of responsibility, ensure strict management of all water conservancy facilities, and seriously and conscientiously do a good job in clearing blockages in rivers and water passage; we should be mindful of possible danger in times of peace and unceasingly maintain vigilance, and must never slacken off and become careless.

Chen Junsheng called on Qinghai Province to continue to properly handle the various problems arising from the disaster, duly resolve the actual difficulties encountered in the lives of families of those personnel who died or were killed while on duty, and do a good job in extending comfort and compensation to the bereaved families. We must earnestly take up the responsibility to properly handle the task of resettling the afflicted victims, especially those who are made homeless, ensuring that no one will die of starvation or freeze to death. Chen Junsheng also urged Qinghai Province to widely mobilize the masses to launch a drive for self-support through restoring production, and they should not miss the opportunity to channel their undaunted spirit in the face of difficulties, as well as the spirit of mutual help for mutual benefit to the task of restoring production and rebuilding their homes. Steps must be taken to ensure funds and materials raised by the various departments under the State Council and various localities for the disaster area must be utilized for that specific purpose and not be appropriated for other purposes. Chen Junsheng hoped Qinghai Province would swiftly find out the causes of the collapse of the dike, clearly define and fix the responsibilities, learn our lesson, draw inferences about other cases from one instance, and push the work forward and educate cadres.

An expert team organized by the Ministry of Water Resources will leave for the site of the collapsed dike to help the relevant department in Qinghai Province investigate and analyze causes of the dike-burst at Gouhou Dam. Chen Junsheng urged all members of the expert team to earnestly conduct the investigation with a great sense of responsibility and a rigorous scientific approach, seek truth from facts while analyzing the causes leading to the collapse of the dike burst, and make a report to the State Council as soon as possible.

At the time this news item is released, the death toll resulting from the collapse of the dam has reached 290, while 336 persons are injured and 80 are missing.

Military

Beijing Said To Crack Down on Army, Police Corruption

HK1009104793 Hong Kong SOUTH CHINA MORNING POST in English 10 Sep 93 p 8

[By Willy Wo-lap Lam]

[Text] Beijing has begun cracking down on the alarming increase in corruption within the People's Liberation Army (PLA) and police forces.

Anti-graft operations within the PLA, which is normally outside the jurisdiction of the civilian judiciary system, are being spearheaded by the party's Central Military Commission (CMC), as well as the military commission for disciplinary inspection.

Sources said the CMC held a meeting in the summer to find ways to curb corruption and economic crimes within the force.

An informed source said up to 10 army-level officers might be under investigation for alleged graft and economic crimes.

Western diplomats have reported rampant smuggling of cars into Shandong from South Korea. Some of the activity is being done with the connivance, if not participation, of the Army and Navy.

A report in the state-run Economic Daily yesterday spotlighted the smuggling of cars and other goods through the Shandong city of Weihai.

The source said the CMC meeting decided to tighten control of the growing army business empire, but stopped short of calling for measures to scale it down.

One of the moves calls for central control of the PLA's sprawling commercial operations to be re-established so that army-business units come under the direct control of the CMC, the general staff, logistics and political departments at PLA headquarters as well as the military-region commands.

Diplomats said, however, that stamping out PLA-related corruption would be difficult because profits from its business offshoots had become a principal source of income for the defence establishment.

Top officials, including CMC vice-chairman Liu Huaqing and Defence Minister Chi Haotian, have recently given hard-hitting speeches on curbing corruption in the Army.

Meanwhile, the Public Security Ministry has launched a nationwide campaign to stem corruption within the police force.

Police authorities in different provinces and cities have drawn up rules to minimise ways in which officers can use their powers to seek economic advantage.

For example, the Shanghai Public Security Bureau yesterday issued five guidelines to maintain clean operations.

Foremost among them is a measure barring public security units from running businesses "which may be related to the functions and powers of the police". Examples cited are ballrooms and karaoke bars.

The Guangdong police force is organising a province-wide education campaign among its rank and file, using as a negative example the case of Hong Yonglin, the former police chief of Huizhou, a city near Shenzhen.

A Huizhou court began proceedings on Wednesday against Hong.

Minister Handles Military Smuggling Case

HK0909142593 Hong Kong CHENG MING in Chinese No 191, 1 Sep 93 pp 20-21

[Article by Li Chu (2621 4591): "Chi Haotian Personally Handles Smuggling Cases in the Military"]

[Text] Chi Haotian Says Some People Are "Blinded by Lust for Gain"

The CPC has recently stepped up efforts to fight against smuggling. All kinds of astonishing "domestic shame" has been exposed and the smuggling cases involving the military have shocked the top CPC and military leaders.

In mid-August, Chi Haotian, state councillor and minister of national defense, visited Tianjin. A ZHONGGUO XINWEN SHE report on 17 August said he had come to Tianjin to "inspect work." However, at the same time, it carried some strongly worded remarks made by Chi Haotian: "...the spreading of corrupt phenomena in some units and departments, such as corruption, bribery, smuggling, trafficking in smuggled goods, seeking private gain at public expense, and selfish departmentalism. Some people, who are blinded by lust for gain, have violated laws and discipline and have thus lost the required quality of communists."

"I often tell our officers and soldiers that they should not make blind comparisons and stress the differences between the Army and the localities in their daily life. If there is anything to make comparison with, they should compare themselves with the cadres and soldiers stationed on the Tibetan borders. There, because of a lack of oxygen, it is difficult for people even to eat and swallow food. It is a task for everyone there to have two bowls of rice each meal. It is difficult to grow a tree there. Just as people often say: 'There are no birds in the sky and no grass on the land, and stones are rolling everywhere.' If anyone wants to make comparisons, they should compare themselves with them, rather than comparing with those who have become bosses and have gotten rich after demobilization. Otherwise, our path ahead will become narrower and narrower."

Some people felt that Chi's remarks were hard to understand. It seemed that those remarks were aimed at something. People who know the inside story revealed that Chi Haotian's trip to Tianjin was not as simple as an inspection trip. He was carrying out an important mission to handle a serious sedan car smuggling case on behalf of the State Council and the Central Military Commission. The

case involved the Logistics Department of the North China Sea Fleet, which had smuggled cars from Russia, South Korea, and other areas, reflecting the miraculous power of the fleet.

North China Sea Fleet Gunboat Escorts Smuggling

It was said that the Logistics Department of the North China Sea Fleet got into trouble this time because it had been riding roughshod over others and had thus enraged the people. Since 7 June, the department has purchased a total of 2,200 sedan cars and travel buses, from Russia and South Korea respectively, and transported them openly and arrogantly to the military port. The vehicles were worth more than \$13 million. On the first three occasions there was no trouble transporting the vehicles to the military port. However, the fourth time they were "carrying out the task" on 9 August, they were intercepted by customs marine police boats just before entering the military port. If there had been no displays of irritability, the result might have been different. However, thinking that their "road to wealth" was being obstructed, the North China Sea Fleet Logistics Unit was greatly irritated and, with strong backing from the escorting gunboat, they were entirely fearless. At that time, the customs boats demanded that the cargo ship anchor and await instructions from a higher authority. Instead of anchoring, the cargo ship, which was full of smuggled cars, continued sailing toward the military port at full steam. At the same time, the escorting gunboat was also in an offensive position in order to prevent the customs police boat from getting closer. Moreover, to teach the other side a lesson, the gunboat even rammed one of the marine police boats and damaged it...

The Military Shows No Respect for Zhejiang's Written Instructions

As a matter of fact, the action taken by the customs this time was ordered by the central authorities. They were informed some time ago that the Logistics Department of the North China Sea Fleet had been involved in smuggling but, because of the unit's special background, it was difficult for them to take actions against the smugglers, as the military always struck first to gain the upper hand and antismuggling personnel were even killed or injured. The customs personnel could not but keep their grievances to themselves and "exercise patience" for the time being. This time, as the Logistic Department of the North China Sea Fleet was brazenly smuggling and the evidence was conclusive, the customs, with justice on their side, believed it was a good opportunity to argue the matter out. They reported the detailed situation to Beijing and asked the State Council for instructions. The situation was very serious. In addition, the CPC had just held a national meeting on combating smuggling. To show its determination, the CPC decided to "take real action" this time. Thus, the North China Sea Fleet was put in the limelight. It was learned that both Zhu Rongji and Zou Jiahua had both given instructions on this matter. In his instructions Zhu Rongji emphasized: "I support the customs in carrying out their tasks according to laws and regulations. If

there are any obstructions, please inform the central authorities." Zou Jiahua used even higher-sounding words in his instruction: "Overcome difficulties and remove obstacles to safeguard national laws and regulations. There should be no exceptions in handling smuggling cases."

After receiving the "highest instructions" from Beijing, the customs began to go all out to carry out this antismuggling operation with a deputy director of the customs personally leading the team. When they saw the Navy gunboat at a distance, they gave it the signal to stop and accept examination. Instead of stopping, the escorting gunboat dashed toward the antismuggling boat at full speed. The situation was out of control. At the critical moment, the deputy director shouted at the gunboat loudly: "We have instructions from the State Council's leading comrades!" Unexpectedly, this caused laughter from the gunboat: "We do not obey local authorities. We only follow the instructions and orders of the Navy Headquarters and the Central Military Commission, not from any other persons."

Chi Haotian Cries Out in Alarm That the Steel Great Wall May Self-Destruct

On 13 August, four days after the incident, Chi Haotian attended a meeting of military cadres above the divisional level in the Tanggu Navy Base. At the meeting, he made a severe criticism, which was more strongly worded than the ZHONGGUO TONGXUN SHE report, showing that he was extremely annoyed by the arrogance of his subordinates who said: "We only follow xx, and not xx." Chi Haotian said: "Some of our Army officers have not only discarded our party's fine and glorious traditions but have also gone so far as to disregard party discipline, army discipline, and state laws. In order to make money, they have become crazy. If practices such as 'smuggling'; reselling approval documents at a profit; driving up prices for selling materials under state regulation and control; selling military supplies and materials; engaging in commercial business and the tertiary industry; and using transport planes, warships, trucks, and special military trains to transport goods for profit, are regarded as legal what on earth kind of practices are illegal and against the law? How could such an army successfully carry out the tasks entrusted by the party? How could it defeat the attacks and sabotage of the hostile forces both at home and abroad? If things are allowed to go on like this, the steel great wall may self-destruct."

It is said that on 16 August, the Central Military Commission General Office circulated army-level party commitments about the trip by Chi Haotian to Tianjin to solve the Navy's sedan cars smuggling incident and his speech at the meeting of military cadres stationed in Tianjin, which was held in the Navy base on 13 August.

Earning 160 Million Yuan in "Business Without Capital"

Judging from the smuggling case involving the Logistic Department of the North China Sea Fleet, the trouble had been brewing for quite some time, just as the fact that "it takes more than one cold day for the river to freeze three

feet deep" and just as Chi Haotian put it, the Army was "crazy" for money. Sources from the State Council revealed that the foreign exchange used by the North China Sea Fleet Logistic Department for purchasing sedan cars was borrowed from the industrial and commercial banks and construction banks through "relations" in the form of interest-free loans. The total amount was \$10 million. Another \$3 million was borrowed through the Xinxing Group Company Limited, a subordinate of the National Defense University. The customs duties on the import of the 2,200 sedan cars and tourist buses, which were worth \$13 million, would reach more than 120 million yuan. Moreover, they could be imported only with the approval documents issued by the State Council's Ministry of Foreign Economic Cooperation and Trade. The smuggled sedan cars and tourist buses were to be transported to the provincial military district for sale. It was a business without any capital, in which a net profit of 160 million yuan could be earned. If everything had been done in accordance with the law, the profit would only have been 40 million yuan. However, they might not be able to obtain the approval documents. Attracted by the gigantic amount of money, the steel great wall would rather self-destruct.

The "Golden Channels" for Smuggling by the Military

According to General Administration of Customs data, the two lines between Russia's Vladivostok and China's Qingdao and Tianjin, and between South Korea's Moppo and China's Weihai and Tianjin, have become the "golden channels" for smuggling by the military. In this year alone, more than 50 cargo ships and warships have been intercepted and seized. The ships were mainly engaged in smuggling cars, motorcycles, and air conditioners from South Korea, Russia, and Japan. These cases were all submitted to the State Council and the Central Military Commission but so far have not been handled. In mid-July, the customs also discovered cases of exporting military petroleum and petroleum products to South Korea and Japan but so far there is still no result in handling these cases.

Here is a question calling for deep thought: If officials as high as Vice Premiers Zhu Rongji and Zou Jiahua were unable to resolve such an obvious smuggling case, which was then resolved by Defense Minister Chi Haotian personally, how many years and months will it take to resolve the numerous smuggling cases? What worries people is that because such a smuggling case could not be resolved only until the top leaders gave instructions, it will be even more difficult to resolve the big smuggling cases with a stronger backing.

Smuggling by the military has been spreading and has become a disaster. The CPC authorities should also be held responsible for it. In the new round of the "down to the sea" tide, the Army has been indirectly encouraged to "turn military to civilian production" and to raise funds to maintain the Army all by itself. Under such conditions, a modern atmosphere of doing business has been spreading within the Army. Those with technology and funds have

become rich, naturally, and can even hold exhibitions outside. However, to the great majority of officers and men without technology and funds to "turn military to civilian production," smuggling has become the best way to "get rich from nothing." Moreover, because in smuggling the risks and profits are in inverse proportion, it is natural that more and more people have been attracted to "join the trade."

What should be pointed out is that recently the CPC has increased military expenditure by a big margin. But the pay and conditions of servicemen have not been increased. On the contrary, under the great impact of the market economy their standard of living has dropped to a certain extent. This is also an important factor in the rampant smuggling activities. To curb the deteriorating smuggling activities within the Army, the CPC should start by increasing the standard of living of the servicemen rather than using all the military funds to purchase and develop strategic weapons.

Economic & Agricultural

Ministries Attempt To Halt Unwarranted Fee Collection

OW1009052793 Beijing XINHUA Domestic Service in Chinese 0948 GMT 24 Aug 93

["Roundup" by XINHUA correspondent Liu Siyang (0491 1835 2254): "Stopping the Unhealthy Practices of Collecting Unwarranted Fees"]

[Text] Beijing, 24 Aug (XINHUA)—The powers of government departments are vested by the people. As public servants, the government departments should serve the people. This is an unalterable principle. However, for an unknown period of time the powers and functions of some government departments have been abused by people in collecting unwarranted fees under all sorts of pretexts.

Some departments have converted, without authorization, the administrative duties of state organs into services with a fee; some have added items to and expanded the scope of and increased the level of fee collection in violation of the state regulations; some have transferred a portion of government functions to department-affiliated entities engaged in pay services in the form of tertiary industry; others have used the power of their monopoly of various trades and professions to arbitrarily collect large amounts of fees for "services"; still others collected fees without providing services in a flagrant manner of extortion; and so on and so forth. These unhealthy practices have tainted the image of the party and the government and have aroused strong resentment among the masses of the people.

In his speech at the Second Plenary Session of the Discipline Inspection Commission of the CPC Central Committee, General Secretary Jiang Zemin said that efforts should be concentrated on stopping the nationwide misconduct involving collecting unwarranted fees, especially the abuse of power by state organs in collecting fees. Wei

Jianxing, secretary of the Discipline Inspection Commission, also explicitly called for setting up the system and structure for stopping the wanton collection of fees.

This correspondent has learned from the Second Plenary Session of the Discipline Inspection Commission that some departments have taken action to implement the central authorities' instructions:

- The Ministry of Power Industry decided yesterday to set up a leading group, to be headed by the minister, on investigating problems especially related to the unauthorized collection of electricity fees in rural areas;
- The Ministry of Posts and Telecommunications yesterday launched several measures for stopping unwarranted fee collection and concentrating efforts on self-examination and -correction of the practices of which the masses are very resentful;
- The Ministry of Railways held a "work meeting on resolutely checking the misuse of train tickets for selfish gain and improving the current work style of railway employees," thus underscoring the need to further screen the collection of unwarranted fees, to promptly investigate and penalize a number of typical cases of misusing train tickets for selfish gain, and to reinforce the mechanism of restraint;
- The Ministry of Public Security has decided to conduct an inventory of the items and standards of administrative fees collected by public security departments, thus abolishing unwarranted collections carried out without the approval of the State Council and publishing the inventory results for the benefit of the public;
- The Civil Aviation Administration and the Administration for Industry and Commerce have also conducted separate studies on issues related to the agent fee and the obligatory service charge to purchase plane tickets, and to the collection of unwarranted service fees by industry and commerce administrative offices. The administrations intend to draft new operational procedures.

Unwarranted fee collection under all sorts of pretexts has seriously affected the relations between the party and the masses and has impeded the smooth progress of reform, opening up, and economic construction. It is high time that this problem be solved. With the central authorities' determination and the measures taken by various departments, the whole party and the people throughout the country hope that this unhealthy tendency will be stopped as soon as possible.

Industrial Growth Continues To Decelerate in Aug
HK1009104293 Beijing CHINA DAILY in English
10 Sep 93 p 2

[By staff correspondent Wu Yunhe: "Industrial Growth Is Down Again"]

[Text] China's industrial growth, advancing at full steam during the first half of this year, continued to decelerate in August for the second consecutive month.

Industrial production last month grew by 23.4 per cent compared to the same period last year. But the growth rate represented a drop of 1.7 percentage points compared with July of this year, according to the State Statistics Bureau.

The bureau predicted that the country's industrial growth would continue to slow down during the coming months, with an officially targeted rate of 15 per cent a month by the end of this year.

The government's tightening of the money supply, starting in July, will help bring down industrial production, the bureau predicted. In the first half of this year, money supply was too high, stimulating economic growth as well as inflation.

"The tightened macroeconomic policies have exerted great influence upon the national economy," said a bureau official.

But the shortage of funds and the unsatisfactory domestic transportation capacity also affected industrial growth, he added.

The deceleration is what the central government has desired to ensure a sound and steady economic growth. But it also has side-effects, the bureau noted.

One effect is the slow-down of raw materials production, which was considered crucial for capital construction and economic development. The sector is one of the bottlenecks.

Statistics Bureau economists said that during the latter half of this year, the central government should pay more attention to the industrial structure while exercising macroeconomic control over the national economy.

"An improvement in industrial structure could also obtain a coordinated development of industrial production," they said.

In August, production of steel products, non-ferrous metals, power equipment, coal and electricity dropped. These sectors had grown rapidly in previous months because of high construction demands.

Brisk retail sales, however, made light industry production continue to ride high, with its growth rate exceeding heavy industry. Light industry produces daily-use products and consumer goods.

Output of automobiles, computers, cooking fuels, television sets, video cassette recorders, washing machines and refrigerators still kept a strong upward momentum.

Minister Notes Shortage of Drinking Water
HK0909142693 Beijing ZHONGGUO XINWEN SHE
in Chinese 1148 GMT 30 Aug 93

[By correspondent Jia Quanxin (6328 0356 2946): "More Than 80 Million People in China Have Difficulty in Getting Drinking Water"]

[Text] Beijing, 30 Aug (ZHONGGUO XINWEN SHE)—Since China is seriously short of water, it causes a loss of

over 100 billion yuan in industrial output value, and over 82 million people find it difficult to get drinking water.

Water Resources Minister Niu Maosheng disclosed the above figures at today's news briefing on the "Method for the Implementation of the System for Permission for Water Procurement."

Niu Maosheng said: In the past dozen years or more, following China's speedy economic development, water consumption has increased quickly while it is seriously short of water resources. Water shortages have become a big problem which restricts China's economic development and affects the normal livelihood of the people.

He said: Of the 500 or more cities in China, over 300 are short of water and over 100 are very short of water. Cities across China are short of water by over 16 million tonnes and which causes a loss of over 100 billion yuan in industrial output value each year. In rural areas, over 82 million people find it difficult to procure water.

Having excessively tapped underground water for a long time, China now has 56 regional underground-water cones of depression with a total area of 87,000 square kilometers, making large numbers of electromechanical wells useless. Environmental problems have surfaced in some areas such as ground subsidence and the invasion of sea water.

Faced with such a grim situation, Niu Maosheng said: In the next few years, China will quicken the development of major water projects including water storage and water diversion. By the end of this century, there will be an annual additional water supply of 60 billion cubic meters, which will gradually alleviate water shortages in northern China, major coastal cities, and key energy bases.

He said: The System for the Permission for Water Procurement to be implemented from 1 September will make it possible to strengthen the state's unified management of water resources, coordinate and safeguard the rights and interests of all quarters regarding water consumption, and promote the unwasteful and planned consumption of water so that the limited water resources can serve the national economy and the people's livelihood better.

Shandong, Shaanxi Cadre Exchange Promotes Economy

OW1009092493 Beijing XINHUA in English 0846 GMT 10 Sep 93

[Text] Xian, September 10 (XINHUA)—A cadre exchange program between Shandong Province in economically-developed east China and Shaanxi Province in relatively backward northwest China has promoted the economic development of the latter.

With full support from the Central Committee of the Chinese Communist Party and the State Council, the two provinces of Shandong and Shaanxi decided in late 1991 to start a cadre exchange program.

In March 1992 some 54 cadres who were good at economic work from Weifang and Jining cities in Shandong were sent to work in Shaanxi's Yanan and Yulin prefectures, from where another 54 cadres were sent to study the experiences of the two Shandong cities.

The cadres from Shandong went deep into the grassroots units in the two prefectures of Shaanxi and carried out investigations. They helped local residents to make good use of local resources, and to launch a large number of economic cooperation projects.

Preliminary statistics show that the Shandong cadres have helped Yanan and Yulin prefectures start 344 construction projects, which are expected to realize 1.78 billion yuan in output value and 470 million yuan in profits and taxes when completed and put into operation.

At present, 110 out of the 344 construction projects have been built and put into operation. These projects create 280 million yuan in output value and 40 million yuan in profits and taxes a year.

In addition, the Shandong cadres have also helped in their new working areas a group of enterprises on the edge of bankruptcy to become profitable through various methods, including introducing investment and technology from outside, training qualified personnel and strengthening management.

The cadre exchange program has enhanced the development of trading activities between the areas involved. The trading volume between them now amounts to 40 million yuan-worth a year.

It is learned that the first 108 cadres on the exchange program returned to their original workplaces early this month. A new round of the exchange program with a similar number of cadres will begin in early October.

East Region

Anhui Peasants Protest IOU's, Demand Tax Reduction

HK0909133393 Hong Kong CHENG MING in Chinese No 191, 1 Sep 93 p 93

["Reference News" by Shih Men (4258 7024)]

[Text] In early August, some 2,000 peasants from seven villages in Qingyang and Ningguo counties in southern Anhui held prolonged meetings to protest against the IOUs and replacement of money by materials in the purchase of their farm and sideline products. Some rural cadres in Qingyang participated in the peasant gatherings and openly raised banners which read: "All power belongs to the peasants!" "Down with the new landlords of the 1990's," and "Long live the communist party!" In Lingguo, the peasants autonomous committee detained the members of the work team sent by the county party committee, and asked the government to reduce half of their tax; they also demanded that a certain township party secretary and the head of the township be dismissed, and that the militia organization there be abolished. On 3 August, more than 300 peasants raided the county government building, causing bloodshed, in which 15 peasants and public security personnel were injured.

Fujian Secretary, Governor on Role of Overseas Chinese

HK0909141593 Fuzhou Fujian People's Radio Network in Mandarin 1100 GMT 5 Sep 93

[Excerpt] Yesterday afternoon, provincial Secretary Chen Guangyi and Governor Jia Qinglin attended a discussion session with some of the delegates to the provincial Overseas Chinese affairs work meeting. They emphasized in their talks the need to seize the opportunity, give play to Fujian's unique advantages in terms of connections with Overseas Chinese, and serve the province's reform, opening up, and modernization.

Chen Guangyi said: Fujian is one of China's important home provinces of Overseas Chinese. The Overseas Chinese, Chinese with foreign nationalities, returned Overseas Chinese, families of Overseas Chinese, and Hong Kong and Macao compatriots of Fujian origin are an important force; are playing an important role in Fujian's reform, opening up, and modernization; and have been making outstanding contributions. We should realize the enormous potentialities among Overseas Chinese connected to Fujian. In the future, when the three-phase strategic goals for economic development are to be fulfilled, the support from Overseas Chinese, ethnic Chinese, and Hong Kong and Macao compatriots is even more needed.

Chen Guangyi emphasized: It is necessary to substantially reinforce leadership over the work on Overseas Chinese affairs and effectively improve the competence of personnel handling Overseas Chinese affairs. Party committees and governments at all levels should enter the work on Overseas Chinese affairs into their list of priorities and be more aware of the importance of Overseas Chinese. Chief

leaders should attend to this matter personally, regularly listen to reports on the related work, study and try to solve any major problems in time, and help promote work on Overseas Chinese affairs. Cadres handling Overseas Chinese affairs should improve their quality, make a good job of the upgrading of their ideology and work style, be honest and self-disciplined, and maintain a good image.

At the discussion session, Jia Qinglin emphasized the important status of the work on Overseas Chinese affairs in our province.

He said: Without the ardent support from Overseas Chinese and [words indistinct], Fujian would not have been able to achieve so much in the 15 years of reform and opening up. If we fail to continue giving play to our advantages in terms of connections with Overseas Chinese, fulfilling the strategic goals for economic development would be impossible. [passage omitted]

Shandong Secretary on Opposing Corruption

SK0809102093 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 7 Sep 93

[Text] At the provincial conference on waging in-depth anticorruption struggle and stepping up efforts to improve party style and administrative honesty held on the morning of 7 September, Jiang Chunyun, secretary of the provincial party committee, stressed: Party committees and governments at all levels in the province should regard the anticorruption struggle as an important political task, pay close attention to it, and make it a success. In line with the unified arrangements of the central authorities, they should give prominence to priorities and adopt effective measures to make sure that notable results are achieved by the end of this year.

Zhao Zhihao, deputy secretary of the provincial party committee and governor of the province, presided over the conference. Jiang Chunyun, secretary of the provincial party committee, gave an important speech on behalf of the Standing Committee of the provincial party committee.

Jiang Chunyun pointed out: Since the third plenary session of the 11th party Central Committee, especially over the past few years, the provincial party committee and government as well as the party committees and governments at all levels have defined clear guiding thoughts and adopted a firm attitude toward the important issue of opposing corruption. They have paid attention to two aspects of work simultaneously. While concentrating efforts on reform, opening up, and economic construction, they have adopted a series of measures to resolutely punish corruption and made active efforts to improve party style and administrative honesty. However, we should remain clear-headed to note that our work of opposing corruption and advocating honesty still falls far short of the demand of the party Central Committee and the masses, and that perversion of justice for bribes, bribe giving and taking, extortion, deals between power and money, squander of people's wealth, moral degeneration, and other corrupt phenomena are reflected in our province and rather

serious in some cases. Such negative and corrupt phenomena have seriously undermined the relations of the party and government with the masses and hindered and interfered with reform, opening up, and economic construction. As they are bitterly hated by the masses, we should adopt realistic and effective measures to resolutely and thoroughly eliminate them.

Jiang Chunyun pointed out: We should put the endeavor to resolve ideological issues in the first place and, through thorough study and intensified education, continuously enhance the understanding of the entire party, especially leading cadres, of the important and far-reaching significance of the anticorruption struggle.

Jiang Chunyun emphasized: The focus of the present anticorruption struggle carried out in party and government organs is on party and government leading organs, justice departments, administrative and law-enforcement departments, and economic management departments. Party and government organs must follow the unified arrangements of the central authorities and, giving prominence to priorities, adopt strong measures to resolutely, rapidly, and effectively wage the anticorruption struggle to make sure that notable results are achieved by the end of this year and a good foundation is laid for waging the anticorruption struggle on a regular basis. At present, we should stress three aspects. First, starting with leading bodies and leading cadres, we should resolve well the issues of honesty and self-discipline. Leading cadres at all levels in the province should abide by the relevant stipulations of the central authorities to seriously examine and correct their own problems. Leading cadres at the departmental and bureau levels of provincial organs, especially the leading members of the several major leading bodies of the province, should take the lead in this work and set a good example in the province with their own exemplary deeds. Second, we should concentrate efforts to investigate and handle a group of major and serious cases and sternly punish corrupt elements. Investigations should be conducted thoroughly no matter who are involved. Third, we should resolutely check the unhealthy trends which the masses are most dissatisfied with. After this conference, the province prepares to start with the provincial organs to launch a special improvement campaign to particularly solve the problems of unwarranted prorations and tours with public funds, with the focus on the monopolistic trades and law-enforcement departments.

Jiang Chunyun emphasized: Waging the anticorruption struggle is an important political issue and also a task concerning policy implementation. Not only should we have a firm attitude and carry out solid work to realistically solve problems, but also we should adhere to principles and implement policies in a prudent and down-to-earth manner. The general demand is to have a good command of the six principles put forward by the central authorities. In particular, we should correctly distinguish and handle the two different types of contradictions, strictly implement policies, handle cases according to laws and discipline, and never wage mass movements or have

everybody make self-criticism. We should unite and educate the majority of people and concentrate blows on the small number of people to ensure the healthy and orderly progress of the struggle. Focusing on the central task of economic construction, we should successfully control and give good guidance to the overall situation of the anticorruption struggle. We should have a good command of policy bounds and act strictly according to laws and discipline. We should give play to the guiding role of public opinion to promote the in-depth and healthy development of the anticorruption struggle.

Jiang Chunyun emphasized: The anticorruption struggle is a protracted and arduous task that lasts through the entire process of reform and opening up and is a systems engineering project which requires both radical and stopgap measures to achieve comprehensive improvement. We should always attend to two aspects of work simultaneously and be competent in both. We should continuously strengthen the work of the ideological and political fields, step up party building and the building of leading bodies at all levels, strengthen democracy and the legal system, and strengthen and improve the supervision system to fundamentally check and eliminate corrupt phenomena. Party committees and governments at all levels should conscientiously strengthen leadership, establish a responsibility system to make every level attend to and guide the work of the next lower level, and fully develop the functions and role of discipline inspection and supervision departments. We should extensively mobilize forces in society to actively participate in the anticorruption struggle, win an overall victory in the struggle, and then further consolidate and develop the excellent political and economic situation in the province and push reform, opening up, and the modernization drive up to a new level.

'Roundup' Views Shanghai's Economic Development

OW1009083693 Beijing XINHUA in English 0809
GMT 10 Sep 93

[Roundup: "Shanghai's Economy Developing in a Healthy Way"]

[Text] Shanghai, September 10 (XINHUA)—The economy in this, China's largest economic center is developing in a steady and healthy way.

According to the latest figures provided by the municipal statistics bureau, the gross local product in the first half of this year amounted to 63.27 billion yuan-worth, an increase of 14.5 percent over the same period of last year.

Included were the products of the Pudong New Development Area, which increased by 18.4 percent. Pudong is a newly-established economic zone that is expected to lead in the transformation of Shanghai's industrial and financial sectors.

Meanwhile, Shanghai's gross retail sales increased by 5.4 billion yuan a month in the first six months of this year.

Construction of key state capital projects is well under way with guaranteed investment.

An official from the Shanghai Municipal Bureau of Finance said that the municipal financial income in the first six months of this year accounted for 51.3 percent of the budgetary receipts, up 17.9 percent over the same period of last year and 3.4 percentage points higher than the increase of the gross product.

According to statistics, Shanghai's industrial output value in the first eight months of this year went up 19.9 percent to 212.77 billion yuan, and its sales rate climbed from 93 percent early this year to 98 percent at present.

An expert at the Shanghai branch of the People's Bank of China attributed the good result to the implementation of the central government's macro-control measures, and the control of credits and loans and investment within the state plan.

A survey report shows that Shanghai issued fewer loans in July this year due to a shortage of funds and began to grant loans as usual in August.

Banks in Shanghai issued a total of 3.58 billion yuan in loans last month.

At present Shanghai is streamlining its industrial mix to ensure the development of Pudong, key urban construction facilities and industrial technical modernization items as well as foreign-funded projects.

An official from the municipal planning commission acknowledged that the rapid local economic development has been affected by high production cost, transportation and energy problems. He estimated that the city's economic growth rate during the rest months of this year will be slowed.

Wu Bangguo on Guiding Shanghai With Socialism

*OW0709132793 Beijing QIUSHI in Chinese No 15,
1 Aug 93 pp 10-13*

[Article by Wu Bangguo, secretary of the Shanghai Municipal CPC Committee: "The Theory of Building Socialism With Chinese Characteristics as a Guide for Shanghai's Work"]

[Text] It is a milestone in the history of party development that the 14th CPC National Congress called for arming the whole party with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and established the position of this theory as a guide for the whole party, symbolizing the further development and maturity of our party as well as a new historic stage of greater awareness in the cause of China's socialist construction. Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics is the latest scientific result of integrating Marxism with the reality of present-day China and the special features of our times. It is the fundamental principle as well as a powerful ideological weapon guiding us to fulfill the magnificent goal of socialist modernization in a new historic era. The key to rapidly carrying out reform; opening up to the outside world; the modernization program; and to maintaining our country's long-term

stability, prosperity, and strength lies in persistently arming our party with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics. Therefore, it is the whole party's urgent and long-term strategic task to study and publicize Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics.

Comrade Deng Xiaoping is an outstanding representative and brilliant model in defending, upholding, and developing Marxism-Leninism-Mao Zedong Thought. He has made great historic contributions to founding the theory of building socialism with Chinese characteristics. During his inspection of the south last year, Comrade Deng Xiaoping gave several important talks. He made a penetrating analysis of the current international and domestic situation. He also made a scientific summation of the party's basic practice and experience since the Third Plenary Session of the 11th CPC Central Committee, clarifying several major issues of understanding that had perplexed and shackled people's thinking over the last few years. Comrade Deng Xiaoping's talks and the 14th CPC National Congress mark a new stage in China's reform, opening up, and modernization drive.

The 14th CPC National Congress report pointed out: "We should also open more cities along the Chang Jiang, while concentrating on the development and opening up of Shanghai's Pudong area. We want to make Shanghai one of the international economic, financial, and trade centers as soon as possible and to bring about a new leap in economic development in the Chang Jiang Delta and the whole Chang Jiang basin." The "one dragon head, three centers" is an explicit demand on Shanghai set forth by the CPC Central Committee and reflects Comrade Deng Xiaoping's ardent expectations for Shanghai. Comrade Xiaoping is very concerned about Shanghai's work. In the past six years, he visited Shanghai annually and repeatedly admonished us that the line, principles, and policies adopted since the Third Plenary Session of the 11th Central Committee must remain unchanged; the party's basic line should be valid for 100 years and must not be shaken; and the principles of reform and opening up adopted since the 13th CPC National Congress must also remain unchanged. He said: Revolution aims to liberate productive forces, and so does reform. In the past, we only stressed the development of productive forces under the socialist condition, but never mentioned the liberation of productive forces through reform. This is not thorough. After the establishment of the basic socialist system, we still have to carry out reform to fundamentally transform the economic structure fettering the development of productive forces, build a socialist economic structure full of vigor and energy, and expedite the development of productive forces. With the reality of Shanghai's work in mind, Comrade Xiaoping gave many important instructions.

He urged us to seize the opportune moment to accelerate development. When we reported to Comrade Xiaoping during last year's Spring Festival that the nineties would be an opportunity for Shanghai's development, he said: This is Shanghai's last opportunity, which should not be missed. Shanghai should boldly blaze new trails and should not be

afraid of making mistakes. If there is anything wrong, it can be corrected. Comrade Deng Xiaoping stressed the issue of seizing opportunities again during this year's Spring Festival. He said: "It is hoped that you would not miss opportunities. For China, there are not many opportunities for grand development. China, being different from other countries in the world, has unique circumstances. For example, we have tens of millions of patriotic fellow countrymen abroad who have made many contributions to the motherland."

He encouraged us to emancipate our mind, to adopt a practical approach in our job, to proceed from practical situations in everything we do, to emancipate our mind a little further, and to be a little bolder and a little quicker in our strides. He said: Now, the development of Pudong should only move forward and not retreat. Anyhow, you have no ways to retreat. The development of Pudong is a little late, which is both good and bad. You can draw on Guangdong's experience to develop Pudong into a more modern and much advanced district. I believe that you can catch up with them from behind. He said: Shanghai's residents are relatively agreeable. They are an inexhaustible source of power for building socialism. Take a look at Shanghai. There have been great changes in one year and there will be even greater changes in three years.

Comrade Xiaoping stressed grasping effectively two links at the same time and demanded Shanghai to complete two tests—one in economic construction and the other in spiritual civilization. He said: By the end of this century, Shanghai's Pudong and Guangdong's Shenzhen will have to answer a question; that is, what you practice is "socialism" and not "capitalism." Furthermore, the two of you must set a good example. You have to emphasize both comprehensive national strength and spiritual civilization.

In addition, Comrade Xiaoping stressed the bold use of young cadres. He repeatedly said: I have always advocated youthfulness. An important aspect in mind emancipation is to boldly utilize young cadres as the 21st century belongs to them.

With the concern of the party Central Committee and State Council, as well as veteran revolutionaries such as Comrade Xiaoping, Shanghai's economic construction and reform and opening up developed fairly rapidly. Comrade Xiaoping has given enthusiastic encouragement to Shanghai's achievements. He praised Shanghai's working class for being the leading sheep of the Chinese working class over a long period. In 1992, the people of Shanghai accomplished what others failed to do. He said: You worked hard last year, and should work hard again this year, braving the winds and waves and taking practical steps to overcome difficulties and scale new heights.

In accordance with Comrade Xiaoping's theory of building socialism with Chinese characteristics, particularly the guidelines of his important talks in Shanghai, we should attach importance to doing well the following tasks:

1. Earnestly study and implement the guidelines of Comrade Xiaoping's important talks and use them to unify the

thought of cadres in the entire municipality. The standing committee of the municipal party committee should take the lead in studying Comrade Xiaoping's theory of building socialism with Chinese characteristics. We should adopt the method of "top leaders overseeing top leaders," and through the party school's rotating training and short-term training, mobilize cadres of the entire municipality to study in depth and comprehend thoroughly Comrade Xiaoping's theory of building socialism with Chinese characteristics and his important directives to Shanghai. During the study, we should put forward the "three guarantees." On the basis of guaranteeing to uphold the direction of socialism, to make due payments to state treasury, and to abide by state macroeconomic control and accomplish the tasks entrusted by the central authorities to Shanghai, we should encourage cadres to emancipate their minds, adopt a practical approach in their work, as well as conduct bold experiments and ventures in accordance with the standards of "conducive to three causes" [conducive to developing the productive forces of our socialist society, to increasing the overall strength of our socialist country, and to improving the people's living standards]. In view of Shanghai's realities, we should ask cadres to consciously overcome "left" ideological shackles, blind complacency, and the idea of clinging onto tradition. We should truly play the "Chinese card" and "world card," fully exploit Shanghai's edges, and work with concerted efforts to implement well all Shanghai's tasks. Last year, on the basis of studying the guidelines of Comrade Xiaoping's theory of building socialism with Chinese characteristics and the 14th CPC National Congress, the entire municipality established the thought for the whole year's work. "Changing mindsets, exploring, changing mechanisms, readjusting leading bodies" has become a great thought in reform, opening up, and economic construction. Besides, the Sixth Shanghai Municipal CPC Congress determined the goals, key strategies, and important measures for building Shanghai's two civilizations.

2. Objectives and tasks are laid down for construction and reform in Shanghai till the end of this century according to the requirement of "the late comer surpassing the old timer" set by Comrade Deng Xiaoping and that of "one dragon head" and "three centers" set by the 14th party congress. The main objectives are:

a. The total annual output value of goods and services for Shanghai will increase at an average rate of 10 percent a year, from 100 billion yuan now to 200 billion yuan at the end of the century, and the per capita GNP in the municipality will go up from over 7,700 yuan now to 15,000 yuan then.

b. In the order of "tertiary, secondary, and primary industries" [an zhao san er yi de shun xu 2174 3564 0005 0059 0001 4104 7311 1645], we should readjust the structure of production and the internal industrial structure in order to initially modernize the structure of production.

c. Pudong has basically shown the contour of a new Shanghai, and the new urban area will cover 100 square km. A modern bund will be built in the Lujiazui area. The

total annual output value of goods and services for the new urban area will reach 50 billion yuan by the end of this century, eight times the figure of the Pudong area in 1990 when an announcement was made on the development of the area.

d. The environment in which people live will be improved by doing away with 800,000 night stools and 800,000 coal stoves, and every possible effort will be made to build housing of 60 million square meters in floor space in the 1990's, with per capita occupancy of 10 square meters in floor space. To achieve these objectives, the Sixth Shanghai Municipal CPC Congress set the following three priorities in economic work: First, priority is to be given to urban infrastructural facilities, including electric power, communications, and transportation. Second, priority is to be given to the tertiary industry, with the stress on the development of markets for essential factors of production, in order to make full use of Shanghai's special and comprehensive conditions; stress is to be placed on the development of banking, commerce, trade, real estate, information, and other tertiary industries so as to bring about exchanges, trade, and marketing in a big way. Third, Talented people in Shanghai should be employed to develop new and high technology, which should be used in production and in the transformation of traditional industries in order to develop a new generation of industries as the pillars of the economy.

3. Vigorous efforts should be made to do solid work and to bring about changes every year and major changes in three years. The objectives we set at the municipal party congress can be achieved by the end of this century, and the key is to use funds and resources at home and abroad and to strike a balance in both the domestic and international markets. We should accelerate Shanghai's economic development by persistently optimizing the structure of production and improving quality and efficiency, and we should not go blindly after a high growth rate. We should make the best possible use of favorable conditions and avoid the effects of unfavorable ones. We should get as quickly as possible onto the track of carrying out economic construction by relying on scientific and technological progress and by improving the quality of workers.

Through our efforts, Shanghai has made relatively big progress in its work since last year.

1. New breakthroughs have been achieved in opening Shanghai to the outside world as well as in building the city's infrastructure with Pudong's development as the hallmark. After the Punan Bridge was opened to traffic ahead of time, the Yangpu Bridge, an even longer bridge spanning the Huangpu Jiang, is being built rapidly. The bridge's two sections have been joined and it will be opened for traffic in October this year. The Yanggao Road project, which runs through Pudong and was scheduled to be completed in three years, was completed and opened to traffic in the same year. In 1992, three generating units—two 600,000 kw units and one 300,000 kw unit—went into operation in Shanghai; and Shanghai became the first city in the country with more than 1 million telephones. When

the inner-ring transit system and the No. One Subway are completed, a preliminary three-dimensional traffic network will have been built. The improvement of the investment environment has attracted more foreign investment. The number of foreign-funded investment projects and the \$3.35 billion foreign capital which Shanghai approved last year both exceeded the totals of the preceding 12-year period. New agreements signed with foreign investors during the January-May period this year reached \$3.43 billion, exceeding last year's total. Many world-renowned transnational companies have opened business in Shanghai. The cash amount of projects established in the Jinqiao Development Zone in Pudong has reached \$13 million.

2. Economic reform focusing on nurturing the market continues to deepen. With regard to cultivating and developing the market, aside from making continuous efforts to develop its commodity market, Shanghai has made great efforts to develop important markets—especially the monetary, commodity, real estate, technology, and personnel markets—and also established many intermediary organs to provide market services. In 1992, the volume of stock transactions in Shanghai's stock market reached 76 billion yuan, topping that of the year before by more than four times. The transactions volume during the January-May period this year topped that of the entire 1992 by 144 percent. Since its opening one year ago, the Shanghai Metals Exchange has had transactions totalling 155.6 billion yuan. Shanghai's real estate market has also developed rapidly. Land has been leased primarily according to the need to speed up Pudong's development, rebuild old houses in urban areas, and give full consideration to the efficient use of various types of land. With respect to enterprise reform, the stock and contract systems and other means have been used to explore how to modernize enterprises and push them to the market. This has significantly rejuvenated the operations of the large and medium state enterprises. Meanwhile, positive and reliable measures have been taken to promote supporting reforms, including reforms of the housing and pension systems as well as the unemployment insurance system. With respect to establishing and improving the government's macroeconomic regulation and control, the government has gradually replaced its control over departments, physical goods, and enterprises with control over various trades, prices, and the market; and established intermediary organs of accountants, lawyers, auditors, notaries, and consultants.

3. Firmly promote socialist material and spiritual construction, and make sure that the further the country proceeds in reform and opening up, the greater efforts Shanghai will make in promoting spiritual construction. While spiritual construction has its regular programs—such as the building of civil units by military and civilian authorities and educating people on the current situation and missions—attention has also been paid to using the media to educate the public on patriotism, collectivism, and socialism in conjunction with annual projects. Last year, while implementing the guidelines in Comrade Xiaoping's talks, on the basis of conducting widespread investigation

and study, Shanghai called a 10,000-people rally to mobilize people to embark on spiritual construction and to establish 10 pacesetters and 10 Red Flag units. This year, the successes which Shanghai has achieved in hosting the East Asian Games and launching the campaign to emulate the "Good Eighth Company" have rallied its residents even further. To improve party conduct and promote administrative ethics, we have set clear regulations for gift certificates and stocks, and anyone who violates the regulations will be disciplined. In accordance with the law, we have also firmly cracked down on all forms of crimes to wipe out vile phenomena. For major problems involving the people's interests, such as those concerning transportation and old-age pensions, we have organized the masses to discuss them, making sure that they are informed on the situation and that they will understand the issues, get involved in solving them, and render their support. When we informed Comrade Xiaoping about our work in this regard, he fully endorsed what we did.

In short, Shanghai has achieved some success in its reform, opening up, and modernization, thanks to the guidance of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, the CPC Central Committee's correct leadership, the efforts exerted by people in Shanghai, and the energetic support from fraternal provinces and cities. Shanghai's experiences have once again proved that Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics is the most precious spiritual wealth of our party and state. As long as we firmly and consciously adhere to this basic theory and the party's basic line, our cause certainly can withstand all the challenges and win one victory after another.

Zhejiang Works To Improve Investment Conditions

OW1009032993 Beijing XINHUA in English 0258
GMT 10 Sep 93

[Text] Hangzhou, September 10 (XINHUA)—East China's Zhejiang Province is focusing on improving both "hard" and "soft" investment conditions.

A local official in charge of foreign investment said that foreign business people have been showing more and more interest in this coastal province in recent years.

According to statistics, Zhejiang absorbed foreign investment totalling 2.9 billion U.S. dollars last year, 3.5 times the amount of the previous 13 years.

The first five months of this year saw the provincial government approve the establishment of 1,863 foreign-funded enterprises involving a total investment of 1.59 billion U.S. dollars on contract.

The official noted that Zhejiang has 37 cities and counties which have been designated by the state as open coastal cities and economic development zones.

These areas cover 43,700 sq km, accounting for one half of the province's total territory.

So far, Zhejiang has spent more than 10 billion yuan on construction of energy, transportation and telecommunications facilities in these areas.

It has also set up or improved organs to offer better service to overseas investors.

While implementing state laws and regulations concerning foreign business, according to the official, the provincial government has issued more than 20 local regulations concerning taxation, loans and credit, land use, real estate development and foreign exchange.

The official said that the provincial government pays great attention to ensuring supplies of labor and funds for foreign-funded enterprises, and local governments are encouraged to collect opinions from overseas business people and help them solve problems in a timely fashion.

Central-South Region

Guangdong To Stop, Postpone 'Irrational' Projects

HK1009092793 Hong Kong TA KUNG PAO in Chinese
10 Sep 93 p 4

["Special dispatch" by staff correspondent He Sui-yi (0149 4482 1837): "Guangdong Takes Resolute Measures to Stop or Postpone a Number of Projects"]

[Text] Guangzhou, 9 Sep—Resolute in implementing the central macroeconomic control and regulatory policy, the Guangdong Government has introduced strong measures to stop irrational infrastructural projects and abolish all kinds of self-established financial organizations.

As learned, the Guangdong Planning Commission has in the last few days inspected a number of irrational duplicate construction projects, an excessive number of high-class hotels, office buildings, high-class villas, holiday resorts, horse-race courses, and golf courses which do not conform with the state industrial policy and whose fund resources have not been ascertained. For this reason, the government has made arrangements to stop or postpone these projects. Recently it distributed to all localities a "Circular on Controlling the Investment Scale in Fixed Assets and Strengthening Investment Management" requesting localities to submit programs to the provincial government by the end of September on the projects to be stopped or postponed.

The Guangdong Government is resolute in reducing excessive investments, in strictly controlling newly started projects, in sorting out and examining projects under construction, and in distinguishing between important and less important projects and between projects to be guaranteed, stopped or postponed.

The previously active financial business in Guangdong will also be rectified, with focus on banning all kinds of illegal fund raising. With the exception of fund raising jointly approved by the provincial planning commission and the provincial people's bank, all other kinds of fund raising must stop. It has been announced that financial organizations without preapproval will be abolished. Funds will be

oriented toward basic industries, basic facilities, key projects, industrial production, technical transformation, and the purchase of foreign trade and export commodities.

As far as using foreign capital is concerned, a high-level government official said that the current rectification will not cause losses to foreign businessmen. Guangdong will gradually expand the field for the use of foreign capital, correctly guide investment orientation, and appropriately control foreign capital from being excessively invested in real estate and nonproductive projects. In the past, foreign businessmen were strictly prohibited from operating in domestic markets for trades or products with good economic results, but now Guangdong considers "appropriately allowing markets, shareholding rights, and enterprises for the purpose of obtaining capital, management, and technology" in the fields of electric power enterprises and retail sales, to expand the area of introducing foreign capital and to "expedite the merging of the province's economy with the world economy."

Guangdong Recovers Real Estate Fines, Tax Payments

HK0909145593 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0825 GMT 30 Aug 93

[Text] Guangzhou, 30 Aug (ZHONGGUO TONGXUN SHE)—It was learned that Guangdong's real estate industry has gradually repaid a total of 385 million yuan it owed to the state treasury in tax payments, fines, and loans.

Since April of this year, the Guangdong Provincial Revenue Bureau has organized and dispatched a total of six inspection teams to various cities and counties to inspect and examine real estate tax payments. The inspection teams mainly examined profit tax payments regarding the transfer of land use rights and real estate development sales. The local tax collection and management teams also conducted house-to-house tax payment examinations and collected tax payments on the spot. At the same time, the authorities concerned not only ordered the enterprises, units, and individuals concerned to examine their own tax payments but also mobilized the masses to expose and report all types of tax evasion cases.

Guangxi Head on Anticorruption, Economic Construction

HK1009105193 Beijing ZHONGGUO XINWEN SHE in Chinese 1426 GMT 8 Sep 93

[By correspondent Li Chaohui (2621 2600 2547): "Guangxi Government Chairman Cheng Kejie Urges Correct Handling of Relationship Between Anticorruption Struggle and Economic Construction"]

[Text] Nanning, 8 Sep (ZHONGGUO XINWEN SHE)—Cheng Kejie, deputy secretary of the Guangxi Regional CPC Committee and chairman of the regional government, said here today: In launching the struggle against corruption, we must pay particular attention to guarding against some "leftist" practices to avoid losses in production and economic work.

Cheng Kejie made the remarks at the Third (Enlarged) Plenary Session of the Guangxi Regional CPC Committee Discipline Inspection Commission.

He stated frankly that corruption existed within the party and state organs and, in some aspects, it was still emerging and spreading and that the anticorruption situation was extremely grim. He stressed: In the current struggle against corruption, leading bodies at all levels, leading cadres, party and government organizations, judicial departments, and administrative law-enforcement departments must take the lead.

At the same time, Cheng Kejie urged meeting participants to correctly handle the relationship between the struggle against corruption and economic construction.

He said: It is wrong to set anticorruption against economic construction and it is also wrong to fail to firmly grasp the center of endeavor—economic construction and not place stress on serving economic construction.

In his speech, Cheng Kejie revealed the difficulties and problems facing the region's economic construction. Their main manifestations were strain on capital and communications, financial difficulties, and relatively big price raises.

To handle the relationship between the struggle against corruption and economic construction, Cheng Kejie suggested: 1) ensuring the normal progress of economic work and production; 2) avoiding exclusively combating corruption; and bringing the law- and discipline-enforcement departments' disciplinary and service functions into play and, in investigating and handling cases, protecting the enthusiasm of cadres and the masses of people and ensuring the normal progress of production and work, while making a thorough investigation of the cases.

It has been reported that the main purpose of the current meeting is to mobilize and make arrangements for the struggle against corruption in Guangxi and that, after the meeting, the struggle will be carried out throughout the region.

Southwest Region

Official Inspects Guizhou's Foreign Publicity Work

HK0909145693 Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 3 Sep 93

[Text] Yesterday morning, after winding up his inspection of Guizhou's overseas publicity work, Zhu Muzhi, president of the Chinese Association for [Cultural] Exchange with Foreign Countries, had a discussion session with provincial Deputy Secretary Long Zhiyi, Vice Governor Zhang Shukui, and the provincial committee propaganda department head, Chang Zheng.

Leaders of the province's overseas publicity units and relevant press units also attended the discussion.

At the session, Zhu Muzhi talked about his impression of overseas publicity work in the province through his inspection.

He said: Though Guizhou's overseas publicity work was not started till quite late, it did enjoy fast development. This should be fully affirmed. In Guizhou's effort to speed up the pace of its reform and opening up, overseas publicity is especially important. He cited the successful case of Guiyang Vehicle Factory which has reaped good economic returns by cooperating with foreign investors and explained that only by helping more people get to know Guizhou can it promote its economic development better. Therefore, he expressed the hope that Guizhou will conduct overseas publicity work the way it conducts its economic work, regard the former as part of the development of foreign economic relations, and promote Guizhou's opening up.

At the discussion session, provincial leaders said that they would give due regard to overseas publicity work, turn into substantial action the plan to let the world get to know Guizhou and let Guizhou move toward the outside world, conscientiously carry it out, and strive to do a better job of Guizhou's overseas publicity work.

Governor Reviews Guizhou's Economic Growth

HK0909142093 Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 4 Sep 93

[Excerpts] At the Guizhou provincial meeting of leading cadres held yesterday morning, Chen Shineng, deputy party secretary and governor, called on cadres of the whole province to have a sense of urgency and grasp the current economic work while making efforts to fight corruption and run a clean administration. [passage omitted]

The province's summer grain output has reached a record of 3.12 billion jin, a 7 percent increase over the previous year. A bumper harvest of other crops is expected. The annual output of grain is expected to hit a new record. Tobacco output is expected to amount to 10 million dan, which will also be a new record. Animal husbandry developed steadily and meat output increased by 7 percent over 1992. The growth of township enterprises increased markedly. [passage omitted]

Chen Shineng said: In light of the prominent contradiction in current economic life, the provincial party committee will adopt measures to ease the strain in capital supply, make great efforts to fulfill the revenue task, accelerate the pace of key construction projects, maintain rapid industrial growth, strive to reap bumper agricultural harvests, unclog circulation channels, and expedite the pace of reform and opening up.

Lastly, Chen said: All localities and departments in Guizhou should bestir themselves, improve their work style, strive to fulfill this year's national economic targets, make preparations for next year's industrial and agricultural production, and take practical action to greet the 7th Guizhou Party Congress.

Tibet Officials Launch TV Center at Construction Site

OW1009064993 Lhasa Tibet Television Network in Mandarin 1200 GMT 25 Aug 93

[Announcer-read report over video; from the "Tibet News" program]

[Excerpt] [Video opens with a long-range shot of a construction site where several hundred people are gathering for a ceremony] After completing the first-phase preparations after more than a year, construction of the Tibet Radio and Television Translation and Production Center project was formally launched on the afternoon of 25 August. Regional party, government, and military leaders Chen Kuiyuan, Raidi, Gyaincain Norbu, Danzim, Zi Cheng, (Xu Wenhe), Laba Pingcuo, Lhamin Soinam Lhunzhub, Tangmai Gongjue Baimu, and (Zhou Wendi), as well as officials of the relevant departments, attended the launching ceremony and laid the cornerstone for the center. [video shows medium-range shots of each of the leaders]

The center consists of two separate television and radio buildings covering a total of 16,000 square meters of floor space, including 12,000 square meters for the television building. After construction is completed, the center will be able to accommodate four television stations, five radio stations, and one FM stereo station. The construction of the center will push Tibet's radio and television production and broadcasting capabilities to new heights.

On behalf of the regional party committee and the regional government, Laba Pingcuo, vice chairman of the regional government, extended warm congratulations on the launching of the construction of the center. [passage omitted]

North Region

Chen Liyou on Hebei's Financial Work

SK0209214893 Shijiazhuang HEBEI RIBAO in Chinese 19 Aug 93 pp 1, 2

[Text] In his speech at the provincial financial work conference that was held on 17 August, Chen Liyou, member of the Standing Committee of the provincial party committee and executive vice governor of the provincial government, stressed that we should further implement the important policy decision of the central authorities on strengthening macroeconomic regulation and control and the guidelines of the national financial and tax work conference, deeply study ways for strengthening the macro regulation and control of finance, strictly manage financial and tax affairs, speed up the reform of the financial and tax systems, and promote sustained, fast, and sound economic development. Chen Liyou said:

1. We should accurately grasp the provincial economic and financial situation and comprehensively understand and conscientiously implement the guidelines of the central policy decision.

Inspired by the guidelines of Comrade Deng Xiaoping's important speeches and the 14th Party Congress, our country has developed its economy at a fast speed since the beginning of this year. Simultaneously, the vast number of the cadres and the masses across the province have worked closely in line with the grand objective of building an economically powerful province, liberated their mind, worked with one heart and soul, grasped favorable opportunities, and sped up the pace of development. Thus, a fairly quick economic development trend has emerged. At the same time, some contradictions and problems have also emerged in the course of economic operation. Some of them are even very serious. The party Central Committee judged the hour, sized up the situation, and put forward a timely series of policies and measures on strengthening and improving macroeconomic regulation and control. This is the major policy decision made by the party Central Committee and the State Council at the crucial moment of further speeding up the development of the national economy. The provincial party committee and the provincial government maintained that this major policy decision is of great practical significance to further positively, accurately, and comprehensively understand and implement the guidelines of Comrade Deng Xiaoping's important speeches and the 14th Party Congress; grasp, cherish, and use the favorable opportunities; speed up the pace of economic construction and opening up; pay attention to safety and avoid creating losses, particularly big losses; and ensure sustained, fast, and sound development of the national economy. We must conscientiously understand and resolutely implement major policy decisions. Under the leadership of the provincial party committee and the provincial government and resolutely in line with the central authorities' requirements for macroeconomic regulation and control, all cities, prefectures, and departments across the province should concentrate a period of time to seek unity of thinking, upgrade understanding, proceed from the overall situation and their actual conditions, and adopt measures to conscientiously implement major policy decisions. Viewing the provincial economic operational situation since July, the province has made achievements in implementing the central policies and measures for strengthening macroeconomic regulation and control. First, the confused financial order was brought under control, and the financial situation is gradually taking a turn for the better. Second, industrial production begins to steadily increase. Third, investment in fixed assets increases at a slow speed. Fourth, the market is brisk and stable. All this indicates that the province's economic situation tends to develop positively. The general economic situation is good. Simultaneously, some problems still exist in economic operations. We should exert efforts to solve them. First, the difference between supply and demand of capital is still sharp. Second, the marketing rate of industrial products is reduced. Third, some state-owned industrial and commercial enterprises register low economic results. Fourth, the consumption volume of social institutions remains high. Fifth, the contradiction between revenues and expenditures is sharp, financial and tax discipline is lax, expenditures increase at an excessively rapid speed, the phenomena of extravagance and waste are

comparatively serious, and the strained situation becomes serious. The above-mentioned problems should be solved by continuing to deeply implement the central authorities' measures for macroeconomic regulation and control. Now, we should further conscientiously solve the following problems related to ideology and work:

A. We should have the sense of overall situation. The measures for macro regulation and control put forward by the central authorities and the guidelines of the national financial and tax conference have a universal guiding significance and an overall binding force. The problems exposed are problems of the whole country and also problems of Hebei; and the measures for macro regulation and control represent the long-term interests of the whole and also the local and immediate interests of Hebei. All levels and all pertinent departments must fully understand the great significance of the central policy decision on strengthening and improving macro regulation and control and have more initiative and be more resolute in implementing central guidelines. They should correctly handle the relationship between the whole and the part, resolutely and conscientiously implement the various central measures for macro regulation and control, and never adopt a wait-and-see attitude or emphasize objective conditions. They should successfully carry out what the central authorities ask them to do and resolutely refuse to do what the central authorities prohibit in explicit terms so as to safeguard the unity, authority, and effectiveness of central orders and make sure that all central measures for macro regulation and control are implemented.

B. We should comprehensively and correctly understand and implement central guidelines. The central call for strengthening and improving macro regulation and control does not mean all-round retrenchment. Instead, it is meant to check and eliminate the chaos in some aspects of the economy, and its basic purpose is to better maintain the good trend in economic development. Macro regulation and control are in unity with economic development, and the measures for macro regulation and control are geared to the need for a sustained, speedy, and healthy economic development. If we fail to maintain the current good trend in economic development and cause a large downturn in economic development when implementing the central measures for macro regulation and control, we then fail to successfully implement the central guidelines. We must comprehensively and correctly understand and master central guidelines and, proceeding from the reality of the province, be resolute in addressing the existing problems, avoid an economic downturn, and ensure an increase in revenues and a healthy economic development.

C. We should have new ideas. The central authorities call for solving the problems emerging in the process of advancement by accelerating and deepening reform and for approaching the rectification and improvement of the financial and tax order from the perspective of establishing the socialist market economy system and safeguarding the lasting stable political situation. The measures adopted by the central authorities for macro regulation and control are a kind of reform and are the premise and foundation for

accelerating the reform in the next step. Therefore, we should find a way to accelerate the transformation of the old systems into the new if we are to implement the central guidelines and solve the problems in the current economic work. We should turn the endeavor of improving and strengthening macro regulation and control and solving the conspicuous problems in the current economic activities into the motivation for accelerating reform and establishing the socialist market economy system. At present, we should focus the attention to implementing the central measures for macro regulation and control and developing the economy on deepening reform, transforming mechanism, optimizing the structure, and improving efficiency. The major reform measures to be implemented involve mainly the reform of the monetary, financial, and investment systems. The major reform in these fields will be the foundation for establishing the socialist market economy system. With this foundation, current difficulties will be alleviated, the excellent situation will be developed continuously, and a fairly high level will be maintained in the economic development rate.

D. We should have the spirit of keeping forging ahead. First, we should adopt a positive attitude to implement the central guidelines, resolutely eliminate disorder, and correct mistakes. Simultaneously, we should guarantee the items that should be guaranteed and develop those that should be developed. The dashing spirit of keeping forging ahead must not be weakened, and the broad masses of the cadres and the masses' enthusiasm must not be dampened. It is necessary to further guide, protect, and bring into play the enthusiasm of the masses. We should positively adopt effective measures to solve the difficulties and problems cropping up in the course of economic operation. We must not adopt a negative, passive, or indifferent attitude to handle the difficulties and problems, still less use our subjective reasons and work problems to create some twists and turns in economic development. Second, we should positively adopt measures and collect funds through various means to strengthen the distribution of capital, put efficiency in a prominent position, and concentrate limited amounts of capital to ensure the needs for key production construction. Third, we should strengthen the analysis and supervision of the current economic operational situation. We should pay close attention to the trend of economic operation and economic development and timely make opinions and countermeasures through analyses so as to accurately and effectively guide and promote the sustained and sound development of the economy.

2. We should consolidate the financial and tax order and optimize the environment for economic development.

Consolidating the financial and tax order and strictly enforcing the financial and economic discipline is a major measure for strengthening macro regulation and control and ensuring a sustained, fast, and sound development of the economy as well as an objective requirement for setting up the socialist market economic system and creating a macro environment for equal competition. Thus, the governments at various levels and all departments concerned

should conscientiously consolidate the financial and tax order in line with the central guidelines.

A. We should realistically clear up the financial and tax policies. It is necessary to realistically straighten out the policies on reducing and remitting taxes, that have been worked out by going beyond the authorities; the product taxes, value added taxes, and business taxes that have been fixed without the approvals of the State Council; and the product taxes, value added taxes, and business taxes covered in the overall contract for input and output. Here, I should make reaffirmation. First, no new policies on reducing and remitting taxes will be worked out. The "three types of foreign-funded" enterprises will continue to enjoy "exemption of two taxes and reduction of three taxes." Those with temporary difficulties will not enjoy tax exemption and reduction any longer. Second, it is necessary to immediately restore the collection of taxes from the enterprises that enjoy tax exemption and reduction out of policy consideration on the expiration of the fixed time. Third, the policies on reducing and remitting taxes, worked out by the localities themselves, should be canceled. Fourth, there will be no approvals for the overall contracts for input and output. From now on, those whose product taxes, value added taxes, and business taxes are covered in their overall contract for input and output without the approvals of the State Council should normally pay taxes according to the regulations as stipulated in the tax law. Here, what we should call high attention to is that the basic task of the financial and tax departments is to "develop the economy and to ensure the supply." That is to say, we should cultivate, protect, and expand financial resources; simultaneously collect all the money that should be collected; ensure the state necessary expenditures; and guarantee the state key construction projects.

B. We should standardize the financial credit and straighten out the companies subordinate to the financial and tax departments. The companies attached to the financial credit departments and the financial and tax departments in the province are developing healthily. However, there are actually problems cropping up in the course of development due to the failure to standardize the systems and methods and due to the imperfect management. According to the requirements of the central authorities, we should conscientiously clear up and correct these problems to promote a standard and healthy development. From now on, we should persist in the following few principles in developing the financial credit. First, we should define the limits. We must not grant inter-bank loans in violation of regulations, wantonly collect funds, or change budgetary funds into extra-budgetary funds. Second, we should define policies on the premise that the rate of loans should be appropriate, the credit input orientation should be reasonable, and the examinations and approvals should be strict. Third, it is necessary to define specialized organizations and standardize the management. Fourth, we should strictly enforce discipline and avoid violating discipline. Fifth, according to the requirements of the central authorities, the companies run by the financial and tax departments should reform and improve

the current credit system so as to suit the requirements of the market economic system.

C. We should achieve success in the large-scale financial and tax inspection. The large-scale financial and tax inspection represents an important measure for rectifying the financial and tax order and strictly enforcing financial and economic discipline under the current conditions that the supervision mechanism has yet to be established in society and, in particular, violation of financial and economic discipline is rather serious. Governments at all levels and all pertinent departments must attach great importance to this work and achieve success in it in line with the arrangements and requirements of the State Council. Offices at all levels charged with the large-scale inspection should organize personnel and coordinate well with pertinent departments to carry out the work meticulously. Finance, tax, and auditing departments at all levels should send backbone forces to participate in the large-scale inspection. During the inspection, we should have a good command of policy bounds and deal with various discipline breaches in a conscientious and realistic manner.

3. We should strengthen management of revenues and expenditures and strive to maintain a balance and ensure key projects.

Judging from the current development trend in the financial and economic situation, the tasks to achieve a balance between revenues and expenditures remain very arduous. Governments and finance and tax departments at all levels should seize the current favorable opportunity, pay attention to the key links in increasing revenues and reducing expenditures, and adopt realistic and feasible measures to ensure fulfillment of this year's budget.

A. We should resolutely pay close attention to and conscientiously carry out the collection of revenues with an aim to overfulfilling the revenue quotas. Based on central requirements, we should arrange tasks for various localities to overfulfill their revenue quotas this year. Based on the quotas assigned by the central authorities, the provincial government will study and fix the quotas to be assigned to various cities, prefectures, and departments. All localities and all departments should adopt measures to fulfill the extra quotas. Finance and tax departments at all levels should closely coordinate, redouble their efforts, and mobilize all positive factors to step up collection of revenues. We should levy taxes according to law, strengthen tax collection and management, and, in particular, do a good job in the collection and management of the taxes which are difficult to collect and which are meager so that all taxes that should be collected are collected in full amount. We should conscientiously improve and strengthen management of the taxes from individual industrial and business households and private, collective, and three types of foreign-funded enterprises and the foreign trade tax refund to stem tax evasion. We should do a good job in the collection and management of the "two categories of funds" and the "four categories of taxes" on agriculture. We should adopt measures and draw up reasonable

methods as soon as possible to strengthen the collection and management of the taxes on the income from land sales, transfer, and lease and the income from the increased value of land and collect all the income that belongs to the state. We should step up examination of default on tax payment and profit delivery, coordinate this work with the clean-up of the "debt chains" of enterprises, and organize forces to clean up debts while invigorating the circulation of funds. Meanwhile, all finance and tax departments should also cultivate financial resources to maintain sufficient financial reserves.

B. We should strictly control expenditures and resolutely reduce unreasonable expenses. Governments at all levels should regard expenditure control as an important work and carry it out successfully. They should strictly prohibit tours with public funds or overseas travels of irrelevant personnel; suspend in principle within this year the screening and approval of the purchases of cars by administrative units and institutions; and strictly control the various meetings, festivals, and ribbon-cutting activities and emphasize real results in the various investment and trade fairs. We should strictly control personnel expenses. Party and government organs are not permitted to recruit new personnel this year, and institutions are also not allowed to recruit above-quota personnel. Meanwhile, we should successfully divert office personnel to other fields of work when conducting institutional reform so as to reduce financial burden. Leaders and party and government organs at all levels should promote the spirit of working hard and practicing economy, take the lead in living an austere life, in implementing regulations and systems on expenditures and in struggling against the phenomenon of liberally giving away what belongs to the state and spending wastefully, resolutely cut what should be cut and not spend what should not be spent and, if possible, strive to spend less. Financial departments at all levels should do a good job in this aspect. This year places where deficit budgets have been arranged must immediately make readjustments on the basis of actively cutting the expenditures, must not allow the appearance of new deficits, and must guarantee a balance between revenue and expenditures during the year.

C. We should strengthen management and resolutely guarantee the needs of major projects. While attending to organizing revenues and cutting irrational expenditures, financial departments at all levels should try by all possible means to manage the funds and guarantee expenditures on key projects. The budgetary funds, first of all, should be used to guarantee the issuance of wages for teachers and cadres, and even in a tight financial situation, the wages of teachers must not be affected, and the normal operation of state organs must be guaranteed; second, these funds should be used for guaranteeing the timely supply of funds for the purchase of agricultural and sideline products and for supporting agricultural development and for preventing the issuance of "IOU" credit notes to peasants; and third, these funds should be used for guaranteeing key construction projects covered by the budget and the timely supply of construction funds which has already been listed in the budget. Financial departments at all levels should

give full play to the role of financial departments in raising funds and facilitating capital flow, and while strengthening the management of budgetary funds, actively amass the scattered funds for use in key construction projects by further strengthening the management, regulation and control of funds that are not in the budget. Financial departments at all levels should continue to end deficits and increase profits, help enterprises strengthen management and raise efficiency, and try utmost efforts to give enterprises financial support and to help them tide over difficulties.

4. We Should Accelerate The Pace of Financial and Tax Reform and Strengthen our Ability in Macroeconomic Regulation and Control.

The central authorities have proposed that efforts should be made to speed up the progress and to expand the degree of financial and tax reform and to strive to achieve fairly big breakthroughs and progress in next year's reform of financial and tax systems. In line with the guidelines of the national financial and taxation work conference and in the light of the provincial situation, our province should conscientiously analyze and study the ideas, policies and measures for accelerating financial and tax reform and facilitate a smooth implementation of financial and tax reform in our province.

A. We should actively study specific measures for carrying out reform in accordance with the needs of the socialist market economy and the central demands. It is necessary to implement the new financial and tax systems. This is the central authorities' major measure for improving macroeconomic regulation and control, an important aspect in reform of the economic system, and a fairly big readjustment in the distribution system and distribution pattern. This is a matter of prime importance. Our provincial governments and financial and tax departments at all levels must actively participate in, carefully deal with, and realistically carry out this reform and make it a success.

B. We should deepen reform of the state-owned assets management system and guarantee that the value of state-owned assets will be guaranteed and will increase. Along with the unceasing deepening of economic system reform and the unceasing expansion of opening up, the problems in managing state-owned assets will become increasingly prominent. At present, on the one hand, the state-owned assets management departments formed in line with the pattern of dividing the administrative power have still hindered the implementation of the enterprise management decisionmaking power in a varying degree. On the other hand, the state ownership will be difficult to guarantee. Therefore, we must act in line with the demand of reform, opening up and building the socialist market economy system. We should actively explore and establish a new system for managing state-owned assets. Presently, we should give simultaneous attention to accelerating reform of the state-owned assets management system, implementing "regulations," the "two guidelines," and changing the government functions, and while simplifying administration, delegating powers and standardizing the

distribution relationship between the state and enterprises, standardize and clarify the representatives of property right, establish asset management organs, guarantee the ownership right, implement the management right, invigorate the use of reserve funds, optimize the distribution of resources and raise the operational efficiency. We should take stock of property and capital, make clear the state property accumulated for a long period of time, and set up systems and methods for assessing the interest rates of state capital and the value guaranteed and added targets of state property. We should strengthen the management of property, change the situation from nonmanagement to management, make assessment of property, and prevent the losses of state property. It is necessary to set up, as soon as possible, organizations for management of state property; to strengthen the necessary forces; to balance, as soon as possible, the relationship with relevant departments; and to comprehensively do the duty of management of state property. We should positively explore ways and methods for guaranteeing and adding the value of state property. We should make unswerving efforts to set up a mechanism for management of state property that is suitable to the requirements for the socialist market economic system and is conducive to guaranteeing and adding the value of state property.

C. We should vigorously develop the registered accountant undertaking and perfect the social supervisory mechanism. The registered accountant system is a product of the market economy as well as an effective social supervisory form created by the countries with well-developed market economy in the past 100 years or so. Registered accountants are "economic policemen" responsible for social supervision. Vigorously developing the registered accountant undertaking is of great importance to changing the managerial mechanism of enterprises and the government functions, expanding the scale of opening up, and setting up the socialist market economic operational mechanism. Over a period of time, the financial departments at various levels and the registered accountant associations in the province have done a lot of work. Thus, the registered accountant undertaking has been developed at a faster speed. However, viewing the overall situation, we notice that the registered accountants are understaffed, older in their average ages, and incompetent for their jobs. This is not suitable to the expansion of opening up and the acceleration of development. So, it is urgent to strengthen the personnel ability and upgrade their quality. In line with the requirements of the central authorities, we should straighten out and consolidate the accountant offices and the registered accountants. Those that employ trickery and stand false witness should stop doing business and be abolished. Those whose cases are serious should be investigated and affixed the administrative and legal responsibility. Those who are not worthy of the name and fail to bring their functions into play should be readjusted. Through assessment, we should try every possible means to select a group of young specialized talents with good professional ability and ideology to strengthen the registered accountant contingents. We should make efforts for a period of time to set up a high-quality and authorized

registered accountant contingents so as to make the registered accountant undertaking become a trade of honor, justice, and prestige and gradually play a leading role in social supervision.

5. We should strengthen the leadership over the financial work and set up a contingent with perfect professional ability.

The governments at various levels should further strengthen the leadership over the financial work, further deeply study the financial affairs, analyze the financial situation, solve the new situation and problems relating to the financial work, and support the work of the financial departments. The leaders of the financial departments at various levels should make efforts and set an example for the broad masses of the financial cadres, staff members, and workers; conscientiously study and grasp the theory on building socialism with Chinese characteristics, the theory governing the market economy, the knowledge of modern economic management, and new financial and economic knowledge; and use new theories, new ideas, and new methods to guide the financial work. We should realistically change the style of thinking and the work style, jump out of the small circle of judging finance as it stands, set our sight on the overall market economic situation and the overall economic development situation of the province, go deep to reality to conduct investigations and study, pioneer new ideas, explore new methods, work out new measures, and consciously serve the program of building Hebei into an economically powerful province.

We should persistently grasp the reform, opening up, and economic construction with one hand and the ideological and political work with the other to upgrade the financial cadres' ability in resisting unhealthy practice, strengthening the improvement of administrative honesty, and being sure to enthusiastically provide service, justly handle financial affairs, and be honest in performing administrative affairs.

Northeast Region

Activities, Remarks of Heilongjiang's Sun Weiben

Discusses Enterprise Reform

SK0809115193 Harbin HEILONGJIANG RIBAO in Chinese 19 Aug 93 p 1

[Text] Investigation and statistics from relevant departments show that judging from the general situation, the stagnant and backward reform of state-owned small industrial enterprises, the decrease in production, the serious losses and the insufficient reserve strength are one of the reasons for the weak vitality and slow development on our province's whole industrial front. The main manifestations are: Production is on a downward slide, the structure is irrational, the losses are big, the efficiency is poor, and the loss of state-owned assets is serious.

What is the reason for this? At the forum on reform of the county (city) state-owned industrial enterprises held today, Sun Weiben, secretary of the provincial party committee,

believed that this is mainly caused by state-owned small industrial enterprises' failure in making big strides in reform. The policy decisions which the provincial party committee formulated earlier this year on promoting reform of the property right and technological transformation of small enterprises in a large area has not been universally implemented and a considerable number of leading cadres have still run the state-owned small enterprises with the old ideas and old methods of the traditional administrative planning system, making most of the state-owned small enterprises lack benefit incentive and risk restraint for guaranteeing and increasing the value of state-owned assets and seeking the maximum operational efficiency, and lack internal impetus and external pressure for marching towards the market, developing products, promoting technological progress and strengthening management. Thus, the state-owned small enterprises lack not only the flexible mechanism of township enterprises and of the individual and private enterprises but also the advantages of trained personnel, technology, equipment and scale of the state-owned large and medium-sized enterprises, making themselves in an unfavorable position during the acute market competition.

Comrade Sun Weiben pointed out: To extricate from a difficult position, the only way out is to grasp the crucial issue of reforming the property right system and to actively accelerate the reform pace of turning state-owned small enterprises into state-owned people-run enterprises or people-owned people-run enterprises. To this end, we should achieve the following "four musts."

We must further emancipate the mind. At present, we should conscientiously solve three major ideological obstacles. First, we must eliminate the ideological obstacle of fearing to affect social stability. We must recognize that deepening reform, changing mechanism, readjusting structure and raising efficiency are the radical measures for guaranteeing social stability. If we one-sidedly pursue the goal of maintaining the present situation, dare not to reform and shield the contradictions, we will gradually accumulate the destabilizing factors. Second, we should eliminate the ideological obstacle of fearing to affect the predominant position of the public ownership. Actually, the state-owned people-run enterprises or the people-owned people-run enterprises will not affect the predominant position of the public ownership at all. Feeling anxious is merely imaginary or groundless fears. Third, we should eliminate the ideology of fearing to affect the vested interest of localities, departments and enterprises. At present, some enterprises have left burdens for themselves and let other people keep the wealth. We have no reason to create regional and departmental barriers or to delimit ourselves in a place.

We must proceed from improving the property right relations and reestablish enterprise systems and organizational forms. Determining the property right ownership, reorganizing the property right relations and reestablishing the market main bodies in line with the principle of whoever makes the investment owns the enterprise, takes the benefits, and shoulders the responsibility and risks are

the core issues of reform of state-owned enterprises. Once when the property right is clear and the party committees and governments need not grasp this work any more, the operational mechanism of "making enterprises run independently, assume sole responsibility for own profits and losses, set restrictions for themselves and seeking development with own efforts" will be formed very quickly. To grasp reform of state-owned enterprises, we must firmly grasp reform of the property right which is regarded as the "nose of an ox." How to improve the property right relations and to accelerate the reform pace of turning state-owned small enterprises into state-owned people-run enterprises or people-owned people-run enterprises? Judging from the ownership system and property operational forms, we should strive to diversify the ownership structure and adopt various operational forms. Judging from the property organizational forms of enterprises, we should gradually form an enterprise system characterized by a clear property right, explicit responsibility and an operational norm which includes three forms, namely shareholding enterprises, shareholding cooperative enterprises and enterprises run exclusively with foreign investment. Judging from the process of changing and eliminating the enterprise property right, we may implement the methods of urging some enterprises to shut down, suspend operation, amalgamate with other enterprises, switch to the manufacture of other products, declare bankruptcy, or change their operational form. Judging from the reform of property right, we may adopt various forms, such as "grafting," leasing, selling, amalgamation and cooperation.

We must regard changing government functions and establishing and improving the social security system as the priorities and conduct supporting reforms. At present, our province's pace in changing the functions of county-level government departments, delegating powers and strengthening service has seriously lagged behind, the phenomenon of failing to separate government functions and enterprise management has remained very serious, and a considerable number of organs and departments have still managed their enterprises with some nonessential administrative methods, including the approval procedures, inspection, appraisal and target attainment. This is one of the important reasons for state-owned small enterprises to end the stagnant situation. Therefore, we must accelerate the pace of changing the organizational reform and functions of county-level governments in line with the demand of the socialist market economy and the principle of separating government functions with enterprise management. We should delegate to enterprises all the decisionmaking powers which they should enjoy and declare to the public their functions which we should abolish. In addition, we should manage what we should manage. At present, the most urgent is to establish a strict and standardized state-owned asset management system.

We must strengthen leadership and achieve breakthroughs in tackling the difficult points. First, we should place the county-run state-owned industrial enterprises on the agenda of leaders at all levels. Principal leaders should concentrate energy on studying this matter and assign

cadres with practical experience to grasp industry. Second, we should formulate feasible plans for reforming the county-level state-owned industry and give graded guidance. Third, we should work out policies and methods. The provincial relevant departments should issue the "method on turning state-owned small enterprises into state-owned people-run enterprises or people-owned people-run enterprises," and the "provisional regulations on selling the property right of state-owned small enterprises," and offer views for standardization prior to the end of October.

This forum was organized by the provincial party committee and the provincial government and was held in Huachuan County on 17-18 August. Wang Xianmin, member of the Standing Committee of the provincial party committee and secretary general, presided over this forum. Vice Governor Yang Zhihai put forward specific demands on how to implement the guidelines of this forum.

Leaders of ten cities and counties, including Jiamusi and Huachuan, and five committees, departments and bureaus, such as the provincial Commission for Restructuring Economy and the provincial Economic Commission, gave speeches.

At CPC Standing Committee Meeting

SK0809115993 Harbin HEILONGJIANG RIBAO in Chinese 22 Aug 93 p 1

[By reporter Qi Nilian (2058 3136 5571): "The Heilongjiang Provincial Party Committee Holds Enlarged Standing Committee Meeting To Arrange Anticorruption and Administrative Honesty Work"]

[Text] On the morning of 21 August at the video telephone meeting hall of the Harbin Key Telecommunications Building, the provincial party committee held an enlarged Standing Committee meeting to study and arrange the issues of further implementing the guidelines of the second plenary session of the Central Discipline Inspection Commission, strengthening the improvement of party style and administrative honesty, and waging the struggle against corruption. A few days ago, the party Central Committee set new, higher demands on anticorruption struggle. At the meeting, on the basis of conscientiously studying and deeply understanding the guidelines of the party Central Committee and in line with the provincial actual conditions, the participants set forth the ideology and countermeasures for strengthening the struggle against corruption and promoting the improvement of party style and administrative honesty.

The participants maintained: The main stream of party style and administrative honesty is good. However, the unhealthy practice and corrupt phenomena within the party are very serious. Viewing the indicators for corrupt problems, we know that there are increasingly more problems of abusing power for selfish gains, trading power for money, and violating economic discipline and economic laws. Viewing the main factors of the corrupt activities, we know that the problems relating to the departments with real rights and leading cadres are comparatively prominent. Viewing the provincial situation, we know that the

undisciplined cases relating to leading cadres tend to increase day by day, economic cases remain high, the scale of undisciplined cases is getting wider and wider, and the means for committing crimes and violating discipline become more covert and have powerful defense capabilities.

The participants pointed out: We must fully understand the importance, arduousness, and urgency of anticorruption under the new situation; firmly foster the thinking that the party and the nation will be subjugated if the economy is not well developed and if corruption spreads unchecked. We should be sure to firmly grasp the development of the economy with one hand and the opposition to corruption with the other. The party-member cadres across the province should seek unity of thinking, upgrade their understanding, and work with one heart and soul to combat corruption.

The participants stressed: We should proceed from the provincial actual conditions and exert efforts to combat corruption. First, we should take the investigation and handling of unlawful and undisciplined cases as a breakthrough point to resolutely punish the corrupt. Particularly, we should exert great efforts to investigate and handle the major cases relating to leading organs and leading cadres. Second, we should especially eliminate corruption and solve the problems that the masses have strong complaints of. In the latter half of the year, we should emphatically solve the problems of being luxurious and wasteful and apportioning expenses from enterprises. Third, we should strengthen supervision and examinations to ensure the implementation of the major policy decisions of the central authorities. Fourth, the whole party should be engaged in the overall elimination of corruption and exert efforts to get at the root of the problems.

The participants finally pointed out: The provincial party committee Standing Committee and the provincial-level leading cadres should be the first to set an example in punishing the corrupt and advocating administrative honesty. They should be the first to manage themselves, their children, and the working personnel around themselves. Simultaneously, we should overcome the fear of difficulty, have the daring to grasp the management work, and assume the responsibility for improving party style and administrative honesty and opposing corruption.

Present at the meeting were some leaders, including Sun Weiben, Shao Qihui, Zhou Wenhua, Ma Guoliang, Tian Fengshan, Chen Yunlin, Meng Qingxiang, Yang Guanghong, Wang Xianmin, Qi Guiyuan, Xie Yong, Sun Kuiwen, Yang Zhihai, Wang Zongzhang, Ma Shujie, Huang Feng, Dai Moan, Wu Yuqian, and Dong Yisheng; Standing Committee members of the provincial discipline inspection commission; president of the provincial court; chief procurator of the provincial procuratorate; and principal responsible comrades of the provincial armed police headquarters.

Addresses Standing Committee

SK0409090893 Harbin Heilongjiang People's Radio Network in Mandarin 2200 GMT 3 Sep 93

[Text] The enlarged Standing Committee meeting of the Heilongjiang Provincial CPC Committee ended in (Jixing) Assembly Hall in Harbin on 3 September. Sun Weiben, secretary of the provincial party committee, proposed at the meeting that efforts should be made to deeply implement a series of important plans of the central authorities, comprehensively uphold the party's basic line, strengthen macroeconomic regulation and control, deeply launch anticorruption struggle, strengthen the building of ideology and work style of the party's leading bodies at all levels, and promote a quick and good economic development in the entire province.

The meeting was presided over by Sun Weiben, secretary of the provincial party committee. Mao Guoliang, Tian Fengshan, Shan Rongfan, Chen Yunlin, Meng Qingxiang, Yang Guanghong, Wang Xianmin, Li Qinglin, and (Xu Jingheng), members of the Standing Committee of the provincial party committee, attended the meeting.

This meeting was held on 2 September. The meeting relayed and studied the guidelines of the second plenary session of the Central Discipline Inspection Commission, the speeches given by Comrade Jiang Zemin at the forum on the economic work of Northeast China and North China regions and at the forum of large and medium-sized enterprises of North China and Northeast China and the guidelines of the national organizational work forum.

Sun Weiben made an important speech at the end of the meeting. He put forward demands on three major affairs, including how to enable the province to implement a series of policy decisions issued recently by the central authorities and to successfully and effectively carry out macroeconomic regulation and control, to launch anticorruption struggle, and to build the leading bodies.

On the issue of strengthening macroeconomic regulation and control, Sun Weiben pointed out: We should use the new ideas and methods of deepening reform to solve the prominent contradictions and problems in our economic life. Under the premise of submitting ourselves to the overall situation and implementing the central policy decisions, we should regard stabilizing the economy and promoting a quick and good economic development as the major task of the province's macroeconomic regulation and control in the days to come.

On the anticorruption struggle, Sun Weiben stressed: It is necessary to deeply understand the importance and urgency of the anticorruption struggle. Our province must attain the following objective prior to the end of this year: County leading cadres at and above the section level must achieve noticeable progress in keeping themselves clean and self-disciplined; the unhealthy trends which have evoked strong repercussions among the masses must be effectively checked; and the images of party and government organs, law-enforcement organs and functional departments must be noticeably improved. It is necessary

to investigate and handle a number of major and appalling cases and punish a number of corrupt elements in line with the law.

In referring to strengthening the ideology and work style of leading bodies, Sun Weiben pointed out: In line with our province's actual situation, we should pay attention to solving four issues: 1) We should observe political discipline and uphold victory and unity; 2) uphold the system of combining collective leadership with individual responsibility and give play to the integrated role of the leading bodies; 3) strengthen unity, share with one in trouble and jointly shoulder heavy tasks; and 4) resolutely implement the specific rules and regulations of democratic centralism.

Sun Weiben also called on cadres across the province to promote the habit of conducting investigation and research and to foster a practical work style of seeking truth from facts.

Exchanges Views With CPPCC Group

SK0409090793 Harbin Heilongjiang People's Radio
Network in Mandarin 2200 GMT 3 Sep 93

[Text] On the morning of 3 September, the inspection group of members of the National Committee of the Chinese People's Political Consultative Conference [CPPCC] exchanged views with principal responsible comrades of the provincial party committee and of the provincial government on how to successfully run state-owned large and medium-sized enterprises and to further develop our province's economy.

During its inspection in our province, the National CPPCC inspection group made on-the-spot inspections in Harbin, Heihe and Mudanjiang cities. During the inspection, the CPPCC members felt that since the third plenary session of the 11th party Central Committee, Heilongjiang has witnessed tremendous changes in its appearance. Particularly, through the reform of the economic system and the three forms of grafting and transformation in state-owned large and medium-sized enterprises, the shareholding economy has been greatly developed, the enterprise organizational structure has been further improved, the supporting reforms inside enterprises have been unceasingly deepened, reform experiments have been deeply developed earlier than planned, reform of the property right system of medium-sized enterprises has begun, and the export-oriented economy and border trade have developed by leaps and bounds.

The CPPCC members believed that it is still fairly difficult for Heilongjiang Province to revitalize state-owned large and medium-sized enterprises. The reason for this is that the mandatory plans are excessive in number, contradictions in some areas are quite prominent, funds are in short supply, and some of the 14 decision making powers which should be delegated to enterprises have not been well implemented. In addition, factors restricting the development of border trade have increased and the price scissors between industrial and agricultural products have continued to expand.

The CPPCC members suggested: The central authorities should give necessary supporting policies for Heilongjiang Province, and Heilongjiang Province should keep its eyes on working with a will to make the province strong, deepening reform, expanding opening up, further expanding the degree of establishing cooperation with the south, giving full play to its role as the dragon head and the international major passageway, further strengthening ties and cooperation with hinterland provinces, and gradually forming a commodity circulation center with a big scope of radiation and strong distribution functions, opening up to all directions.

Sun Weiben, secretary of the provincial party committee, addressed the meeting. On behalf of the provincial party committee and the provincial government, he first thanked the National CPPCC inspection group for their enthusiastic help and expressed that he would conscientiously think over the ideas and suggestions of the CPPCC members, further enhance understanding and strive to enable Heilongjiang Province's economic construction to enter a new stage.

The National CPPCC inspection group, a total of 32 people, will end its 10-day inspection activities in our province and will return to Jinan of Shandong Province on 4 September.

Attends Teachers Day Rally

SK1009121593 Harbin Heilongjiang People's Radio
Network in Mandarin 2200 GMT 9 Sep 93

[Text] The provincial party committee and government held a rally on 9 September to mark teachers day. Provincial leaders, including Sun Weiben, Shan Rongfan, Yang Guanghong, Zhu Dianming, Wang Zongzhang, Huang Feng, and Dai Moan, attended the rally.

Amid lively music, the leaders issued certificates to the 90 special-grade teachers who were newly named this year and certificates and medals to the outstanding teachers and outstanding education workers of the country and the province. The provincial education award foundation presented gifts to the five rural teachers who won the fifth rural teacher award.

A ceremony was also held at the rally for the provincial housing development company and Harbin city's (Nanfa) Wood Product Processing Plant to donate 100,000 yuan and 10,000 yuan, respectively, to the provincial education foundation.

Heilongjiang Financial Conference Ends

SK0809115693 Harbin HEILONGJIANG RIBAO in
Chinese 25 Aug 93 p 1

[Text] The provincial financial work conference, ended on 23 August, demanded that in the foreseeable future the financial work should be focused on strengthening macro-economic regulation and control and striving to increase revenues and reduce expenditures to ensure the fulfillment of the annual financial budget.

According to the statistical figures provided at the conference, from January to July this year, the province's financial revenues totaled 4.45 billion yuan. Deducting the seasonal revenues, the total revenue was 52.3 percent of the budgeted figure, or 6 percentage points slower than the planned average increase rate. Deducting the special factor of the stagnated increase rate of natural resources tax revenues, the total revenue was 5.1 percent higher than the figure of the corresponding period last year, or 2.4 percentage point higher than the increase margin of the provincial industrial output value. The province's financial expenditures totaled 3.99 billion yuan, 50.7 percent of the budgeted figure, 7.6 percentage point slower than the planned average increase rate, or 3 percent higher than the figure of the corresponding period last year. In the first seven months, the province's financial revenues and expenditures showed an increase over the corresponding period last year and were higher than the increase rate of production. However, neither of them reached the planned increase rate, and the revenues and expenditures in arrears were relatively conspicuous.

The conference pointed out: In the remaining several months of this year, we should specifically pay attention to the following several major tasks:

1. We should resolutely maintain the balance of budget to ensure the fulfillment of the annual task. Financial departments at all levels in the province must firmly and unswervingly place work basis on maintaining the balance of budget. Where the revenues are fulfilled in a relatively good manner should take the overall interest into account and no longer arrange new expenditures. Where the revenues were fulfilled in a poor manner should readjust the budgeted expenditures to ensure the balance between revenues and expenditures. Where deficits are about to incur, the above-quota revenues should all be used to make up for deficits, and specific measures should be formulated to readjust and reduce expenditures.
2. We should resolutely halt deficits and increase profits to help enterprises improve efficiency. We should firmly seize the opportunity of macroeconomic regulation and control to further increase the dynamics of halting deficits and increasing profits and to seek new ideas and new methods for deepening reform and expanding opening up with a view to improving the efficiency of enterprises. We should put work emphasis on helping key trades, major money-losing enterprises, and key enterprises to tap potential and improve efficiency.
3. We should pay attention to tax collection and management and vigorously increase revenues. First, we should administer tax affairs in strict accordance with laws and resolutely deal blows to tax evasion and refusal of tax payment. Second, we should firmly prevent the behavior of giving tax exemptions and reductions beyond one's powers. Third, we should persistently collect all the taxes that should be collected. Fourth, we should actually strengthen the financial management of budgetary foreign trade enterprises.
4. We should optimize the expenditure structure by guaranteeing the key projects and restricting non-key projects. We should further increase the dynamics of guaranteeing key projects and try every possible means to accelerating the increase rate of expenditures on agriculture as well as science and technology. We should strictly control the consumption on vehicle expenses of administrative and institutional units. We should vigorously conserve and reduce meeting expenses and postal and telecommunications expenses. Such elastic expenses as official trips cost, purchase cost, and maintenance cost should be curbed by 20 percent based on the actual expenses in 1992. We should strictly control the reception expenses.
5. We should firmly grasp the management of the articles under state control and curb the consumption of social groups. First, from now to the end of this year, except for special cases, no new quotas of purchasing cars and high-grade state-controlled commodities should be approved among administrative and institutional units. Second, enterprises' purchases of cars and other state-controlled commodities should also be put under control. Quotas of buying new cars should not be approved among the enterprises that incur losses, delay tax payment, depend on bank loans to maintain operation, and owe workers the wages. Third, all the poverty-stricken counties, the counties receiving financial subsidies, and the counties suffering losses should be prevented from buying cars.

Vice Governor Chen Yunlin attended the conference and made the speech entitled "Actually Strengthening Financial Macroeconomic Regulation and Control, and Promote the Sound Development of Economic Cause."

Heilongjiang's Wuchang County Upgraded to Wuchang City

SK0809115593 Harbin HEILONGJIANG RIBAO in Chinese 29 Aug 93 p 1

[Text] On the morning of 28 August, the celebration to renaming Wuchang County as Wuchang city was held at Wuchang Gymnasium.

Attending the celebration were leaders of the Ministry of Civil Affairs and of organs directly under the central authorities. Also attending were Tan Fangzhi and Fu Shiyong, vice chairmen of the provincial committee of Chinese People's Political Consultative Conference, and Qu Shaowen, former vice chairman of the provincial People's Congress Standing Committee. Also attending were leaders from various cities and prefectures, villagers of Wuchang, and guests from Japan, ROK, and Hong Kong. Sending congratulatory messages were the Ministry of Civil Affairs, Sun Kuiwen, vice governor of the province, and Chen Lei and Li Jianbai, veteran comrades retired from the provincial-level organs.

As of this year, 80 years have rolled down since the founding of Wuchang County. In June, the State Council formally approved Wuchang County as the city of the county level and the city is still under the leadership of the Songhuajiang Prefectural Administrative Office.

Gao Hongji, secretary of the Wuchang city party committee, stated that Wuchang would, in the course of reform and opening up, profoundly implement the development strategy of "making concerted efforts to invigorate industry, vigorously strengthening agriculture, going all out to develop township enterprises, accelerating circulation, and depending on science and technology to make the city brisk and peasants rich" in order to promote the development of the economy of the entire city.

Liaoning Secretary at Economic Legislation Forum

SK0809103193 Shenyang Liaoning People's Radio
Network in Mandarin 1000 GMT 7 Sep 93

[Text] The provincial forum on economic legislation work was held in Shenyang today. The forum was presided over by Chen Suzhi, vice chairman of the provincial People's Congress Standing Committee. Quan Shuren, secretary of the provincial party committee and chairman of the provincial People's Congress Standing Committee; Governor Yue Qifeng; Yu Xiling, vice chairman of the provincial People's Congress Standing Committee; Vice Governor Xiao Zuofu; and leaders of the provincial relevant departments, of Shenyang, Dalian, Anshan, Fushun and Benxi city People's Congress Standing Committees, and of the city governments; and some economic specialists in the province attended the forum.

At the forum, Quan Shuren gave an important speech on emancipating the mind, changing ideas, participating in economic legislation and safeguarding and promoting the development of the socialist market economy. He said: The Establishment of the socialist market economic system has put forward higher demands on building democracy and the legal system. It is necessary to formulate a series of laws and regulations for guiding and protecting the market economic performance. We should enhance our sense of urgency and determination to accelerate economic legislation work, strengthen and improve the building of systems concerning local legislation work and the working conditions, boldly study and draw on the domestic and foreign legislative experiences, and guarantee a smooth progress in our province's local legislation work.

At the forum, some specialists, including (Yin Liangpei), gave speeches on accelerating economic legislation in our province. Governor Yue Qifeng also addressed the forum. He said: The current chaotic financial order, the misappropriation of cultivated land, the craze in developing development zones, real estates and stock purchase and various sorts of unhealthy tendencies are caused by the economic operational mechanism and the imperfect laws and regulations. To solve these problems, we have to mainly rely on economic legislation. We must have perfect laws and regulations for developing the market economy, and have powerful law enforcement contingents. Only thus can we be able to make the whole economy function in an orderly manner.

Liaoning Conference of Chief Procurators Ends

SK0509062493 Shenyang Liaoning People's Radio
Network in Mandarin 1000 GMT 4 Sep 93

[Text] The provincial conference on work of chief procurators ended in Shenyang today. Sun Qi, deputy secretary of the provincial party committee, and Xu Tingsheng, vice chairman of the provincial People's Congress Standing Committee, attended the conference and gave important speeches.

Sun Qi said: In the struggle to fight corruption and to deal blows to the criminal offenses of corruption and bribery, procuratorial organs have played a role which can never be replaced by other departments. At present, in the anticorruption struggle, procuratorial organs should give prominence to the work priorities, pay main attention to investigating and handling the law-breaking cases of party and government leading organs, leading cadres, judicial departments, administrative and law-enforcement departments, economic management departments and their functionaries and enforce the law, master policies and handle cases strictly. The investigation conclusions must be able to withstand the test of history. It is necessary to conduct deep and meticulous mass work, encourage people to report crimes, support the masses to supervise this work, and educate the broad masses of cadres and people to struggle against corrupt phenomena. Procuratorial organs across the province should stand on the forefront of anticorruption struggle, give play to their key role, unceasingly deepen this struggle, and grasp it realistically until good results are achieved.

Xu Tingsheng said: The people's congresses at all levels should actively support procuratorial organs to fight corruption, give play to the role of deputies, exercise the duties and responsibilities of supervising law enforcement, and realistically become a powerful backing of the anticorruption struggle.

Northwest Region

Gansu Secretary on Campaign Against Drug Crimes

HK0809115593 Lanzhou Gansu People's Radio
Network in Mandarin 2300 GMT 29 Aug 93

[Text] Provincial Secretary Gu Jinchi emphasized the need to further mobilize and rely on the masses in pushing ahead with the specialized campaign against drug offenses in ever greater depth.

In order to impart depth to the specialized campaign against drug offenses in the whole province, the judicial and procuratorial and antinarcotic committees of the provincial CPC committee held a reporting meeting on the specialized campaign yesterday morning, attended by persons in charge of the judicial and procuratorial organs in such key areas as Lanzhou, Linxia, and Pingliang.

Vice Governor Yang Huaixiao summed up the results of effort in the first phase and made arrangements and assignments for the second phase.

Gu Jinchi attended the meeting and spoke. He said: All relevant departments must, under the unified leadership of the party committees and governments, perform their respective duties and assume their respective responsibilities, cooperate closely, and participate in the campaign with concerted efforts to develop society-wide drug control. It is necessary to grasp two focuses; namely, cracking down on manufacturing and trafficking in drugs and helping drug abusers give up, and strive for practical results through the specialized campaign. It is necessary to concentrate police manpower to break a batch of cases of organized drug making and trafficking and major cases; ferret out a batch of drug offenders who have long succeeded in staying hidden and habitual offenders and recidivists; openly arrest, severely punish, and execute a batch without being lenient; and make a good job of comprehensive control and [words indistinct] the achievements of the campaign.

Qinghai Secretary on Ideological, Political Work

HK0909110993 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 4 Sep 93

[Text] In light of the new situation and new problems facing Qinghai, provincial party Secretary Yin Kesheng recently made a call to fight corruption on the one hand and deepen reform and opening up on the other, strengthen ideological and political work, maintain the political situation of stability and unity, and consolidate and develop Qinghai's favorable situation.

Comrade Yin Kesheng pointed out: At present we should continue to uphold the principles of unity, stability, and going all out. Since the beginning of this year, good momentum has emerged in Qinghai's economic growth. It is the best period in recent years. A good situation is hard-earned and inseparable from unity and efforts of the people of all nationalities in Qinghai as well as social stability. Historical experience has proven that nothing can be achieved without a political situation of stability and unity; we may even lose the favorable situation we have attained.

In Qinghai, where the economy is underdeveloped, it is particularly important to consolidate and develop the political situation of stability and unity. Strengthening unity among all nationalities and safeguarding unification of the motherland have always been Qinghai's general task. Qinghai is a province with various nationalities and different kinds of religion. In the long-term construction, the people of all nationalities have made positive contributions to Qinghai's social cause. However, there are a handful of people within and outside the province who attempt to disrupt unity between the nationalities and split the socialist motherland. They also try by every means to infiltrate various fields in our province. We should resolutely expose their plot and crack down on the sabotage activities carried out in the name of religion. On the major question of right and wrong, our cadres and masses should be sober-minded and take a firm stand.

Comrade Yin Kesheng stressed: It is necessary to continue to improve social order. In connection with Qinghai's

reality, we should mobilize all the people to work well. Regarding the lawless activities which encroach upon the interests of the people of all nationalities and undermine the situation of stability and unity, we should take effective measures to attack them and create a fine social environment for Qinghai's reform and opening up.

Party committees and governments at all levels should fight corruption on the one hand and deepen reform and opening up on the other, and do ideological and political work well among cadres and the masses. At present some enterprises have capital shortages and difficulties in their operations, and some localities are suffering from natural disasters, which have increased difficulties in people's livelihood. The tremendous losses caused recently by the burst dam have created anxiety among the masses. To resolve these problems, it is necessary to conduct ideological and political work and mitigate contradictions.

Comrade Yin Kesheng called on the leaders at all levels to set strict demand on themselves and wholeheartedly serve the people.

Qinghai Governor Tian Chengping Addresses Forums

Evaluates Economic Outlook

HK0909140493 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 5 Sep 93

[Excerpts] The third provincial government plenary session was held in Xining Hotel on the afternoon of 4 September, making arrangements for the work in the remaining four months of the year. Provincial Governor Tian Chengping spoke at the session. Tang Zhengren, Gao Ni, Saxi Anjia, and persons in charge of provincial government departments, Xining City, and Haidong Prefecture attended the session. Vice Governor La Bingli presided over the session.

After briefing the participants on the recent dam collapse at Gouhou Reservoir in Hainan Autonomous Prefecture and some other affairs, Governor Tian Chengping announced specific arrangements for the government work in the remaining four months of the year.

Tian Chengping urged government departments first to implement conscientiously relevant central instructions in their future work and strengthen macroeconomic regulation and control to ensure steady development of Qinghai's economy.

Tian Chengping said: As things stand now in various places, we are expecting another bumper harvest in agriculture. In the effort to strive for a good agricultural harvest, purchasing is very important. It is necessary to ensure timely supply of purchasing funds, so that the peasants not only reap higher yields, but also enjoy higher incomes. [passage omitted]

When speaking on industrial production, Governor Tian Chengping said: Since the beginning of this year, Qinghai's industry has maintained a good momentum. However, restricted by such objective factors as fund shortages and

insufficient railway carrying capacity, industrial growth in the whole province experienced a slowdown in July, and some problems, such as slippage of efficiency in enterprises, developed. This problem deserves attention. If we fail to maintain a minimum 12 percent industrial growth in the remaining four months of the year, it would be very difficult to fulfill the prescribed economic growth of the province for the whole year. Therefore, it is imperative to overcome difficulties and maintain a good momentum of growth in industrial production in the remaining four months.

Speaking on existing problems in the economic field, Governor Tian Chengping said: It is imperative to try solving this problem by deepening reform. He demanded that certain achievements be made in the reforms of banking, investment, financial and taxation systems, and social security system before the year ends.

Tian Chengping also urged all departments to make contributions to maintaining political and social stability. He said: This is the number one precondition for safeguarding economic development. It is necessary to conduct propaganda and education on nationality policies and fight against all phenomena of undermining social stability, so that all nationalities in the province may unite as one and together strive toward successes in all undertakings of the province.

Governor Tian Chengping also put forward specific requirements on such issues as expanding the opening up, exploiting resources, and combating corruption and encouraging honest conduct.

Speaks to Court Presidents

HK0909151493 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 5 Sep 93

[Excerpts] The discussion session of court presidents from all over the province, which ended on 3 September, called on people's courts at all levels in the province to provide effective judicial safeguards for the implementation of central decisions on macroeconomic regulation and control and to contribute to combating corruption, strengthening the building of clean and honest government conduct, and maintaining social stability.

At the session, the spirit of the national forum attended by presidents of higher courts was relayed and, on the basis of summing up performance in the first half of the year, the tasks that should be accomplished in the second half of the year were discussed and assigned.

The session conveyed this message: Since the beginning of this year, people's courts at various levels all over the province, under the leadership of party committees at all levels and supervised by people's congresses, have been emancipating minds, seeking truth from facts, strengthening the function of administration of justice in serving economic construction, vigorously improving law-enforcement activities, upgrading their competence in law enforcement, and making new progress in all aspects of administration of justice. In the first half of the year, they

wound up over 5,300 cases altogether at first hearings and made dynamic efforts to safeguard political and social stability, and guarantee and promote the reform, opening up, and modernization. [passage omitted]

Toward the end of the session, Tian Chengping, deputy provincial secretary and provincial governor, spoke. He pointed out: Courts at all levels must obtain a better understanding, be clear about their tasks, conduct administration of justice comprehensively, conscientiously serve economic construction as the focus, consistently enforce law rigorously, safeguard the dignity of the socialist legal system, continue to uphold strict administration of courts, strengthen the building of the judicial contingent with focus on political and professional quality, and establish a fine image of people's courts being clean and honest and upholding justice impartially.

Tian Chengping stressed that it is necessary to strengthen the party's leadership over the work of courts. Courts at various levels must enhance their sense of party leadership and subject all their operations to party leadership unconditionally.

Other leaders, including Yin Kesheng [provincial secretary], Doba, Huanjue Cenam, Ma Yougong, and Zhang Jimin, attended the session.

Shaanxi Secretary Speaks on Fighting Corruption

HK0809014093 Xian Shaanxi People's Radio Network in Mandarin 0010 GMT 29 Aug 93

[Excerpts] Yesterday morning the provincial CPC committee held a meeting of persons responsible for the democratic parties, the industrial and commercial federations in Shaanxi, and nonparty people to relay General Secretary Jiang Zemin's important speech delivered at the Second Plenary Session of the Central Discipline Inspection Commission, the procedures of the plenary session, and the opinions of the Shaanxi CPC Committee on implementing the spirit of the Second Plenary Session.

Zhang Boxing, secretary of the provincial CPC committee, attended the meeting. Deputy Secretary Zhi Yimin presided over the meeting. After relaying General Secretary Jiang Zemin's important speech and the outcome of the Second Plenary Session, Li Huanzheng, standing committee member of the provincial party committee and secretary of the provincial discipline inspection committee, read the opinions of the provincial CPC committee on implementing the spirit of General Secretary Jiang Zemin's important speech and the Second Plenary Session.

Li Huanzheng said: At present, it is necessary to immediately relay the spirit of General Secretary Jiang Zemin's important speech and the Second Plenary Session, mobilize the whole province to wage the anticorruption struggle, resolutely implement the three tasks in light of the plans of the CPC Central Committee on fighting corruption, and strive to achieve marked successes before the end of the year.

Li continued: In the four months from now to the end of the year, we should concentrate forces to implement the

requirements set by the central authorities for cadres at and above county office levels, investigate and handle a number of important and major cases, punish a number of corrupt officials, curb the unhealthy tendencies against which the masses have reacted strongly, and check the practices of state organs and units abusing powers to exact charges and travelling abroad at public expense. [passage omitted]

In his speech, Secretary Zhang Boxing said: The decision of the CPC Central Committee on fighting corruption is an important policy decision. In light of the CPC Central Committee's plan, the provincial CPC committee is determined and confident in resolutely checking the corrupt practices.

Zhang stressed: At present, it is necessary to adopt forceful measures to implement the spirit of the central conference, seriously study and understand the immediate and far-reaching significance of the anticorruption struggle, combine long-term struggle with immediate tasks, and wage the struggle in connection with practice. In accordance with the requirements set by the central authorities, we should take intensive measures, sternly crack down on unhealthy tendencies of a trade, and investigate and handle important and major cases. Principal party and government leaders should personally take a hand in the matter. It is necessary to strengthen leadership and be determined to achieved good results.

Zhang expressed the hope that the leading comrades of the democratic parties would earnestly study, deepen their understanding, and take an active part in the anticorruption struggle. Zhang also gave an account of Shaanxi's economic situation.

Xinjiang Reports Progress in Mineral Prospecting

OW0809072393 Beijing XINHUA in English 0657 GMT 8 Sep 93

[Text] Urumqi, September 8 (XINHUA)—Over the past two years, Chinese geological workers have reported the discovery of 53 potential mineral-rich areas in northwest China's Xinjiang Uygur Autonomous Region, with possible gold deposits estimated at 150 tons.

According to officials in charge of the prospecting work, eight of these sites may be developed into bases for large-scale exploitation of mineral resources.

In 1986, the central government recruited over 1,500 outstanding geological workers from across the country to conduct research and to explore for mineral resources in Xinjiang, in a bid to build the region into an industrial production center of precious and non-ferrous metals.

During the Seventh Five-Year-Plan period (1986-90), with a 50 million yuan government allocation, geological workers identified 25 important mineral-bearing formations and 139 potential mineral-rich areas.

During the Eighth Five-Year-Plan period (1991-95), the state plans to pump an additional 20 million yuan into geological research and prospecting in the country's remote northwest region.

Over the past two years, geological workers have also completed the drafting of several blueprints and maps involving the mineral-rich sites.

Xinjiang's Economic, Trade Fair Closes

OW0909093893 Beijing XINHUA in English 0736 GMT 9 Sep 93

[Text] Urumqi, September 9 (XINHUA)—The '93 Urumqi Economic and Trade Fair closed yesterday in this capital of northwest China's Xinjiang Uygur Autonomous Region.

The eight-day fair chalked up a total of 2 billion U.S. dollars-worth of business, of which 860 million U.S. dollars-worth came from economic and technical co-operation projects.

The transaction volume for exported commodities at the fair reached 630 million U.S. dollars-worth, while orders for imported goods stood at 510 million U.S. dollars-worth.

About 1,860 overseas businessmen from 46 countries and regions, as well as representatives from some 600 Chinese import and export production enterprises attended the fair, which featured border trade, cash trade, investment and co-operative projects.

CPPCC Group: 'White Paper' in Taiwan's Interest

OW0909160693 Beijing XINHUA in English 1546
GMT 9 Sep 93

[Text] Beijing, September 9 (XINHUA)—“The white paper on the Taiwan question issued by the Chinese Government on August 31 has taken into full account the interests of Taiwan people, and there should be no distorting about this.”

This was stated here today by members of the Subcommittee for the Reunification of the Motherland of the Chinese People's Political Consultative Conference (CPPCC), who were attending a forum on the white paper.

Yang side, vice-chairman of the subcommittee, said that “the issuing of the white paper has drawn great concern from all compatriots from Taiwan, Hong Kong and Macao and has won their support.

“However,” according to him, “some elements in the Taiwan authorities misrepresented the Chinese Government's principled stand prescribed in the white paper, saying that the mainland wants to ‘swallow up Taiwan’, the mainland will ‘eventually resort to military means to settle the Taiwan question’, and ‘the white paper doesn't take into account ‘freedom and democracy’.”

“It is sheer nonsense,” the vice-chairman said.

Yang and other subcommittee members for the reunification of the motherland noted that “the government has taken into full account the interests of Taiwan people and the status quo on Taiwan.”

They said the white paper has made it clear that “Taiwan people will enjoy a high degree of autonomy and Taiwan will maintain capitalism on the premise of national reunification.”

The CPPCC subcommittee members criticized some elements within the Taiwan authorities for their attempt to obstruct the reunification of the motherland, adding that “they are lifting a rock to drop it onto their own feet.”

Jiang Dianming, CPPCC National Committee member and research fellow of the Chinese Academy of Social Sciences, said at the forum that the principle of “one country, two systems” prescribed in the white paper fully embodies the government's full respect for the fundamental interests of Taiwan people.

According to him, the prosperity and development of Taiwan and the interests and safety of the Taiwan compatriots will only be guaranteed through consultation on the basis of equality between the two sides of the Taiwan Straits.

The CPPCC members present at the forum hoped the Taiwan authorities would seriously consider the contents of the white paper and take acts conducive to the reunification of the motherland. On no account should they do anything which is harmful to the country's reunification.

Taiwan Compatriots Forum Endorses 'White Paper'

HK0909145793 Beijing XINHUA Domestic Service in Chinese 0820 GMT 4 Sep 93

[By correspondent Liu Shizhong (0491 0670 1813): “Taiwan Compatriots in Beijing Believe That the White Paper Shows Chinese Government's Respect for Taiwan People”]

[Text] Beijing, 4 Sep (XINHUA)—In Beijing today, the Central Committee of the Taiwan Democratic Self-Government League and All-China Federation of Taiwan Compatriots held a forum entitled “The Problem of Taiwan and the Unification of China.” People at the meeting all agreed that the White Paper fully considers Taiwan people's practical interests and their demand and wish to be the master of their own house and shows the Chinese Government's respect for the dignity of Taiwan people. At the same time they pointed out that only under the unification premise can Taiwan people eventually win international status and dignity.

Cai Zimin, Taiwan Democratic Self-Government League Central Committee chairman, said in his address to the forum that the White Paper comprehensively and systematically explains the origin, present state, and symptoms of the Taiwan problem, spells out the Chinese Government's principled position and basic policy toward national unification, and is a programmatic document for the unification of the motherland. He said that the Taiwan authorities are clamoring for “reentering the United Nations” in an attempt to confuse international understanding. The White Paper clarifies our government's principled position on the Taiwan problem and helps the international community understand correctly the real nature of the Taiwan problem and the peaceful unification of the motherland.

Cai Zimin holds that the Taiwan authorities' attempt to “reenter the United Nations” on the basis of its land area, total population, and GDP misinterprets the UN principle of “universal membership” and violates its principle of the composition of states. He said that Taiwan has since ancient times been part of China. In terms of present UN member states, 157 out of the 179 present UN members have diplomatic ties with the PRC and recognize it as the sole legitimate government for China. He pointed out that the fundamental way out for Taiwan is not to “reenter the United Nations” but to share international dignity and status under the premise of the unification of China.

Zhang Kefei, All-China Federation of Taiwan Compatriots chairman, said that it can be seen clearly from the White Paper that the Chinese government has always been concerned about Taiwan—the treasure island for the motherland—and has fully considered Taiwan people's practical interests and believe that their wish to be the master of their own house is reasonable and understandable. He pointed out: The policy of “peaceful unification, and one country, two systems” shows that under one China, Taiwan can exist as a special administrative region and continue with its present social and economic systems; and

Taiwan people can enjoy a high degree of democracy and autonomy. This will realize the wish of Taiwan people to be their own master.

Forum participants also believed that if the Taiwan authorities recognize only one China, they should immediately stop their clamor for "reentering the United Nations" and all other activities violating national interests, should do more practical things to promote national unification, eliminate man-made barriers, achieve "three direct links," expand cross-strait exchanges, and end as soon as possible the separatist state of the country in order to soothe the Taiwan people's historical wounds inflicted by invasions, slaughter, and humiliation.

Over 30 Taiwan compatriots in Beijing attended today's forum, including Guo Pingtan, Xu Zhaolin, and Yang Guoqing, All-China Federation of Taiwan Compatriots vice-chairmen; and Pan Jingyuan, Wu Ketai, Lin Shengzhong, Ye Jidong, and Jiang Nong, central committee members of the Taiwan Democratic Self-Government League.

Article Opposes Taiwan's UN Membership Bid

HK0809152493 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 8 Sep 93 p 5

[Article by Hu Sheng (3337 3932): "Taiwan Is Not Qualified To Join the United Nations"]

[Text] With a few dollars in their hands and cashing in on the post-Cold War changes in the global political and economic situation, the Taiwan authorities have been pushing hard for their "pragmatic diplomacy" and "developing space for international activity" in the international community. Most recently, they have clamored to "join the United Nations" in an attempt to overthrow the UN General Assembly resolutions. The Taiwan authorities declared that Resolution 2758 adopted, by the 26th Session of the General Assembly, "had not completely solved" the problem of China's UN seat and declared its intention of applying to "join the United Nations" on the "two Germanys" model. The Taiwan authorities have for this purpose set up a special organization, drawn up a special budget, and launched vigorous lobbying activities for international support. This August, the Taiwan authorities successfully convinced, with large sums of money, a few Central American countries to add a proposal for Taiwan's so-called right to "representation" in the United Nations to the agenda of this year's 48th Session of the General Assembly. This was based on the UN "principle of universal membership" and the model of the "right to parallel representation for split-up countries."

Can Taiwan really "join the United Nations?" The answer by the Chinese Government and people is in the negative because it is not qualified.

The whole world knows that the United Nations is an intergovernmental and international organization comprising sovereign states and is the most universal in character. Article 4 of the UN Charter lays out express and unmistakable provisions on the conditions and procedures

for joining the United Nations. An applicant is qualified only when all the conditions contained in the provisions have been met; especially the condition that the applicant must first be a sovereign state before it is qualified to tender its application. The so-called "principle of universal membership" is only an inference from the fact that the United Nations is a universal international organization. In any case, the "principle of universal membership" can only be applied to sovereign states.

To achieve the objective of joining the United Nations, the Taiwan authorities dared claim that the "Taiwan region is the Republic of China" and the "Republic of China is a sovereign state." But the truth is that Taiwan has never been a sovereign state, only a province of the PRC and, as such, cannot even meet the minimum requirements and conditions for joining the United Nations. It is true that from 1945 to 1949 the "Republic of China" temporarily represented China in the United Nations. However, in 1949, the Chinese people, led by the CPC, overthrew the reactionary rule of the Chiang Kai-shek clique and founded the PRC and its Central People's Government. With the change in Chinese political power went the legitimate status of the "Republic of China" and its "Nationalist Government." For all these reasons, China's legal seat on the UN and all the rights should have gone, from then on, to the PRC Central People's Government. As it was, the Taiwan province-based Chiang Kai-shek clique illegally occupied the PRC's UN seat and exercised its rights for 22 long years, thanks to unreasonable obstruction by the United States and some Western countries. Due to the unceasing efforts of friendly countries who uphold principles and justice around the world, the 26th Session of the UN General Assembly in 1971 passed, with an overwhelming majority, Resolution 2758 "recognizing the PRC Government as the sole legal representative of China in the United Nations and the PRC as the one of the five permanent Security Council members." This restored its legal UN seat and all the rights and expelled with immediate effect the representatives of the Taiwan authorities from the United Nations and all its affiliated agencies. With it, the problem of China's right to UN representation was thoroughly solved. There simply is no question of Taiwan "returning," "joining," or "participating" in the United Nations. But today, the Taiwan authorities dare try to achieve the objective of "returning to the United Nations" by exploiting the "principle of universal UN membership." This is not only an unrealistic illusion but is also openly trampling on the fundamental standards of the UN Charter.

Another of the Taiwan authorities' fallacious arguments for "joining" the United Nations is that "since 1949 China has been in a split-up state" and "there have been two political entities on the two shores of the Taiwan Strait exercising effective administrative prerogatives." Therefore, Taiwan is entitled to enjoy the UN "right to parallel representation for split-up countries."

We all know that there can be only one integral sovereignty for one country, which can neither be divided nor shared. The PRC is a country with both territorial and sovereign

integrity and has the sole legal representation for China's state sovereignty. The temporary state of separation between the two shores of the Taiwan Strait is a result of the civil war initiated by Chiang Kai-shek and the intervention of foreign powers. The Taiwan problem is purely a Chinese internal affair and completely differently from the post-World War II Korean and former German problems, which were the results of international agreements. The two cannot be compared and no way can the Taiwan problem be handled according to the former German and Korean models. The United Nations and the 157 countries having diplomatic ties with the PRC recognize that there is only one China; Taiwan is an inalienable part of it; and the PRC Government is the sole legal government representing all the people in China. Therefore, there is no basis on which the problem about Taiwan's right to "parallel representation" on the United Nations can be approached.

Summing up what has been said, the proposal by the Taiwan authorities to "join the United Nations," for whatever reason and in whatever way, will in fact be a deviation from the principle of "one China," splitting up the country's territorial and sovereign integrity. It cannot but be firmly opposed by all the people in China. When a small number of people try to build up a case, in whatever way, for Taiwan's bid to "join the United Nations," they are in effect seriously violating China's sovereignty, grossly intervening in China's internal affairs, obstructing without reason the unification of China, and wantonly trampling on the goals and principles of the UN Charter and Resolution 2758 passed by the 26th Session of the UN General Assembly. They will be firmly opposed by the Chinese Government and people.

On the question of "joining the United Nations," the Taiwan authorities are attempting the impossible and they know it. They have started this mainly with the intention of selling to the international community their absurd arguments of "splitting up the country" and "one country, two governments," openly manufacturing "two Chinas,"

and creating a climate of opinion for their eventual goal of joining the United Nations and other intergovernmental international organizations.

The people of the whole China and the international community must keep a clear head and must be on their guard against this.

The PRC Government has firmly and unwaveringly upheld, and will continue to uphold, the principle of "one China" in handling international affairs related to the Taiwan problem; resolutely opposes the plan to create "two Chinas," "one China and one Taiwan," or "Taiwan independence"; and resolutely opposes the Taiwan authorities' efforts to build or develop official or political ties with other countries or to join intergovernmental international organizations. The Taiwan authorities say this is "undercutting" Taiwan internationally. This is a pure slander. The principle of "one China" is the premise for national unification. Upholding the principle of "one China" includes the greatest aspiration, as well as the highest interest, of the people of China, including Taiwan compatriots, and cannot be tempered with. Meantime, in consideration of Taiwan economic development and Taiwan compatriots' need for outside exchanges, the Chinese Government does not object to Taiwan's purely nongovernmental economic and cultural exchanges with foreign countries. It is this concession that has enabled Taiwan to participate in the Asian Development Bank and Asia-Pacific Economic Cooperation and maintain extensive economic and cultural ties with many countries and regions in the world as an economic region of China and under the name of "China Taipei."

The country will be united and people on the two shores will be reunited. This is a historical trend which nobody can stop.

We hope that the Taiwan authorities will be deeply conscious of the righteousness of the cause and do something practical, both in words and actions, for the principle of upholding "one China" and promoting national unification.

KMT Official: PRC's 'White Paper' Harms Unification*OW1009082893 Taipei CNA in English 0806 GMT 10 Sep 93*

[By Debbie Kuo]

[Text] Taipei, Sept. 10 (CNA)—Beijing's recently published "White Paper" on relations with Taiwan has harmed the unification process between Taiwan and Mainland China, a Kuomintang [KMT] spokesman said Thursday [9 September].

Dr. James Chu, director of the KMT Cultural Affairs Department, said the White Paper, the most recent policy paper on Taiwan, "might have a temporary political education effect on the mainland population, but it was to the detriment of the cross-strait relations."

The White Paper, reiterating Beijing's policies of "one nation, two systems," "opposing Taiwan expanding external relations," and "refusing to give up military resolution of conflicts," only served to disturb the Chinese on Taiwan, Chu said during a radio discussion of the issue.

To the Taiwan public, Chu said the White Paper might also have three "educational effects":

- those who expected Beijing's "friendly response" to the resolution of cross-strait problems should now have a better picture of Beijing's true intentions.
- the White Paper proves that those who advocate Taiwan independence at the cost of the lives, security and property of the 20 million people in Taiwan, "are too naive."
- those who support "three links" and "party to party" talks with Beijing are impractical and unrealistic.

Chu said the timing of the White Paper was critical. Beijing publicized the White Paper as Taipei is working to rejoin the United Nations and also during the approach of the post-Deng era, he said.

"The Republic of China [ROC] will never alter its efforts to join the UN, regardless of what is written in the White Paper," Chu responded, "because rejoining the UN is the common wish of all Chinese at home and abroad, and it will contribute to China's eventual reunification."

Beijing's continued tactics to suppress and isolate Taiwan in the international community have only a "negative impact" on the attempted unification of China, he concluded.

Wang Daohan Proposes Talks on ARATS-SEF Problems*OW0909121593 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 5 Sep 93*

[From the "Hookup" program]

[Text] President Wang Tao-han [Wang Daohan] of the mainland's Association for Relations Across the Taiwan

Straits [ARATS] clearly pointed out that publication of the mainland's white paper on its policy toward Taiwan has nothing to do with the failure to reach an agreement in talks between ARATS and the Foundation for Exchanges Across the Taiwan Strait [SEF].

He also emphasized that the points where both ARATS and SEF disagreed can be discussed again in two or three months. Wang Tao-han said an association of Taiwan investors can be formed to resolve problems concerning the protection of investments by Taiwanese businessmen caused by insufficient laws and regulations on the mainland or people's inadequate legal concept.

Wang Tao-han made the above statement in Shanghai on 4 September when he met Vice Chairman Tsen An-ti [Zen Andi] of the China Association for Cross-Straits Scholastic and Cultural Exchanges who was on his eighth visit to the mainland. Also present at the meeting were Secretary General Chang Nien-chi [Zhang Nianqi] of Shanghai's Foundation for Cross-Straits Scholastic and Cultural Exchanges and others.

Executive Yuan President on South China Sea Issue*OW1009061993 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 6 Sep 93*

[From the "Hookup" program]

[Text] Executive Yuan President Lien Chan said: To safeguard security in the Asia-Pacific region, our country has a sincere desire to fully cooperate with the South China Sea countries. Instead of fighting for resources and confronting each other militarily, we are willing to enhance economic cooperation with these countries to create a peaceful and stable environment for development in this region. He stressed repeatedly: Regardless of whether we approach the matter from the viewpoints of the rule of law or historical facts, no country can deny that the sovereignty over islands in the South China Sea belongs to us.

Lien Chan yesterday [6 September] made the above remark while addressing the first seminar on the South China Sea issue sponsored by the South China Sea Group under the Ministry of the Interior.

Lien Chan pointed out: Our country has a sincere desire to cooperate fully with South China Sea countries in scientific research, resource exploration, and antipollution work in marine waters. With the goal of serving the international community, our government is also willing to offer services in the fields of maritime emergency aid, a crackdown on crime, safety in maintaining sea-lanes, and international weather reports.

While replying to legislators' general inquiries at the Legislative Yuan, Lien Chan unequivocally expressed our country's firm stand on defending the territory and sovereignty in the South China Sea. He yesterday openly reiterated this stand, for the second time.

Interior Minister Wu Poh-hsiung, convener of the South China Sea Group, said he felt heavyhearted when seeing various South China Sea countries again and again wantonly occupy the Nansha Islands, which are 1,600 km from Taiwan. He said: In the South China Sea Policy Program, our country has proclaimed firmly and unequivocally that the sovereignty over various islands in the area of the South China Sea belongs to the Republic of China [ROC] and that the historical waters of the South China Sea also come under the ROC's jurisdiction. He stressed: Although our country has all rights and interests in the South China Sea, on the condition of not affecting our sovereignty, we can hold peaceful and rational discussions for international cooperation to jointly explore South China Sea resources and protect the ecological environment.

Mao Chi-kuo, vice minister of the Transportation and Communications, also said: As to the South China Sea development plan, the Ministry of Transportation and Communications has completed plans on communications, weather, tourism, airport, and wharf facilities. People can make direct telephone calls from the Nansha Islands to Taiwan by the end of next year at the latest. In addition, we have decided to build air and sea transportation facilities area by area and stage by stage. Here is Chien Ting-yuan's report:

[Begin recording] [Chien] The part of the plan for developing the South China Sea assigned to the Ministry of Transportation and Communications has been completed. It is composed of plans for building communications, weather, airport, and wharf facilities. As for communications facilities, because the current satellite system is not large enough to fully cover Nansha Islands, and telephone calls can only be made within the island. But after we launch one more satellite to cover currently dead areas before the end of next year, direct telephone calls to Taiwan will be possible from the Nansha Islands. Vice Minister Mao Chih-kuo said:

[Mao] We will have one more new satellite launched in our region, and the Directorate General of Telecommunications will rent a new transmitter that will cover the Taiping Islet of the Nansha Islands. By the end of next year, people on the Taiping Islet of the Nansha Islands can call Taipei using public telephones.

[Chien] Following the completion of communications facilities, the weather facility will also begin operations accordingly. As to sea and air transportation facilities, Mao Chih-kuo said: We will focus on the development on the Tungsha Islands and put the Nansha Islands in second place. The Tungsha Islands already have an airport which allows [words indistinct] passenger airplanes to land. In the future, we will give priority to the Tungsha Islands as well in developing tourism.

[Mao] We will probably give priority to the Tungsha Islands area because it has already an airport. We will begin by promoting development on these islands. At present, because the Taiping Islet of the Nansha Islands does not have an airport, priority may be given to the construction of a wharf. We will study the feasibility of

building airports and wharves on the Taiping Islet, and even on the Tungsha Islands, whose original wharf has been washed away. We need feasibility studies to support our decision on some technical problems concerning the patterns and functions of these facilities.

[Chien] However, the future air route to the South China Sea is involved in talks with the Philippines on aviation rights, and this matter awaits further discussions between the two countries. This is China Broadcasting Corporation correspondent Chien Ting-yuan reporting from the Ministry of Transportation and Communications. [end recording]

Polish Delegation Promotes Trade, Investment Ties

*OW1009102193 Taipei CNA in English 0811 GMT
10 Sep 93*

[By Danielle Yang]

[Text] Taipei, Sept. 10 (CNA)—An economic and trade mission sponsored by the Polish Private Investors Chamber of Trade and Industry is expected to open a new page of trade ties with Taiwan.

The trade mission, led by Dr. Jrzy Rzymanek, includes representatives from banking, transportation, semiconductor and engineering industries. The mission arrived in Taipei Sunday for a week-long visit.

The Polish mission is exploring business opportunities and seeking to sign bilateral banking settlement agreements with local banks during their stay in Taiwan.

Rzymanek told the local media his country will establish a Poland-Taiwan economic chamber to strengthen cooperation with Taiwan manufacturers and form a channel for bilateral exchanges.

The establishment of a Taipei economic and cultural office in Warsaw last December is expected to further increase ROC-Poland contacts.

Rzymanek said Poland has an advantage over other east European countries because of its large size, rapidly developing market economy and large consumer population.

Poland's low labor costs and convenient geographical location are other advantages for Taiwan investors, he added.

Investment opportunities for Taiwan businessmen include the electronic, high-technology, hoe-making, and optical industries.

Taiwan's bilateral trade with the east European country totaled U.S.\$234 million in 1992, with Poland enjoying a trade surplus.

Economics Minister Concludes European Tour

*OW1009102493 Taipei CNA in English 0800 GMT
10 Sep 93*

[By T.J. Chang Y.C. Tai]

[Text] The Hague, Sept. 10 (CNA)—P.K. Chiang, minister of economic affairs of the Republic of China [ROC] on Taiwan, is winding up his 12-day European tour Friday.

The minister began his visit to Germany, Austria, Sweden, and Holland on Aug. 29.

Chiang said he was happy to have made the visit and expressed hope that his European tour would be a boost to bilateral relations.

Manufacturers from the four countries showed keen interest in Taiwan's ambition to become the business operations center of the Asia-Pacific region, he noted.

Moreover, Taiwan's economic stimulus package, six-year national development plan, and projects for industrial upgrading and technology transfers are very attractive to European investors, he said.

During his stay in Europe, the minister inked letters of intent with Asea Brown Boveri Ltd. of Sweden (ABB) and Philips of Holland to enter into strategic alliances.

ABB is a heavy machine engineering company with a diverse product line including machine tools, pollution-control equipment, power generators and electricity distribution equipment, while Philips is a world-renowned electric giant.

In addition, Chiang also witnessed the signing of another letter of intent to form an industrial alliance between Taiwan's Euro-Asia Trade Organization and Germany's Federation of Industries.

During his visit, the minister met with a total of nine cabinet-level officials including his German counterpart Guenther Rexrodt, Austrian counterpart Wolfgang Schuessel, and Swedish counterpart Per Westerberg.

"Cooperation is the best way to progress," Chiang said upon the conclusion of his European trip.

Hong Kong

Further on Sino-British Talks on Hong Kong Issue

UK Envoy: Time 'Running Out' for Talks

HK1009062493 Hong Kong RTHK Radio Four in English 0500 GMT 10 Sep 93

[From the "News at One" program]

[Text] The British ambassador to Beijing, Sir Robin McLaren, has rejected suggestions that the talks with China on Hong Kong's political future are stalled and close to breaking down. When he arrived at Kai Tak [Airport] for discussions with the governor, Chris Patten, and his senior advisers, Sir Robin was asked to comment on reports that Britain was ready to go it alone on mapping out the territory's political development.

[Begin McLaren recording] That is not what we have said, what we have said—and I think it is no secret—is that there is still a significant gap between the two sides. We need efforts on both sides to be able to come closer together, but we are working constructively, and we are certainly not working for a breakdown; we are working for a successful outcome to the talks. [end recording]

Sir Robin said time was running out, although no deadline had been set, and he said Britain and China must seek as much progress as possible before the forthcoming meeting between their foreign ministers.

Report: Talks Near 'Point of Collapse'

PM0909143493 London THE DAILY TELEGRAPH in English 9 Sep 93 p 12

[Graham Hutchings report: "Hong Kong Talks 'on the Point of Collapse'"]

[Text] Hong Kong—Months of talks designed to win China's backing for more democracy in Hong Kong are on the point of failure, obliging Mr. Chris Patten, the Governor, to abandon his reforms or pursue them in the face of bitter opposition from Beijing, a source familiar with the negotiations said yesterday.

"We've had 90 hours of talks with the Chinese and we've got nothing," The Daily Telegraph was told.

"They've rejected all our proposals, even the one lowering the voting age (from 21) to 18. This is despite the fact that the voting age in Britain and in China is 18.

"We think they might make a concession right at the end of the month, but it will only be in order to put the blame on us for the failure."

The source said he expected a public "tussle" between the territory's present and future masters in the coming months.

Mr. Douglas Hurd, Foreign Secretary, is due to meet Qian Qichen, his Chinese counterpart, at the end of the month in New York.

It has been an unstated goal of the British side to reach an agreement on arrangements for the 1995 elections, so that the two ministers can give it their seals of approval.

Mr. Patten would then present the deal to the Hong Kong public during his address to the new session of the colony's legislature on Oct 6.

But unless there is a last-minute breakthrough, the Governor will have to tell members that an agreement with Beijing has proved impossible, and that it will be up to them to decide.

Although most of the 18 members directly elected to the 60-seat chamber could be expected to back Mr. Patten's plans, the majority of indirectly elected and appointed legislators are unlikely to back the Governor, who will not stay beyond 1997, against the express wishes of the incoming sovereign power.

"The Governor cannot go further than what the Hong Kong people want," the source said.

Despite yesterday's revelations, some observers do not rule out a deal that would let the Legislative Council off the hook.

The latest round of talks, the 11th, is due to end in Beijing today and there may be others before the end of the month.

But both sides have acknowledged that they remain far apart on the crucial issues of the size of the electorate, and the criteria for the "through train"—the arrangement whereby those elected in 1995 will be allowed to remain in office after June 30, 1997.

Sir Robin McLaren, Ambassador to Beijing and leader of the British team, said yesterday there "was no point in having these discussions" if an agreement on the "train" could not be reached.

Chinese officials, on the other hand, have said voting arrangements for 1995 must be agreed before the issue can be tackled.

An agreement was possible, but only if Britain adhered to past agreements, said Jiang Enzhu, China's chief negotiator.

Beijing insists that Mr. Patten's reforms violate previous accords and must be abandoned.

The impasse at the negotiating table has coincided with a bitter, often personal public row, between the Governor and Beijing over Han Dongfang, the labour leader China expelled to Hong Kong last month, and Britain's plans to allow civil servants to form their own constituency and elect one of their number to the Legislative Council.

Editorial on Government's Explanations

HK0909002293 Hong Kong TA KUNG PAO in Chinese 8 Sep 93 p 2

[Editorial: "What Do the British Hong Kong Government's Explanations Show?"]

[Text] Chris Patten publicized civil servants participating in politics in a big way on the eve of the 11th round of Sino-British talks. By providing material for some media through a "well-informed source," explanations were made regarding the criticism of the Chinese side against his advocating civil servants' greater participation in politics. Yesterday, Chris Patten came up front and personally launched an attack against the Chinese side, saying that "Beijing either lacked background knowledge of the policy and Hong Kong" or had "some very ulterior motive."

Lu Ping, State Council Hong Kong and Macao Affairs Office director has answered Chris Patten's attack: I should like to ask him to review the Basic Law and have a comprehensive and correct understanding of it. The Basic Law has laid down very clearly that the original civil service system should remain unchanged. Should such radical changes take place as are proposed, that will not fall in line with the Basic Law.

That statement was well put. The nature of Chris Patten's attempt to radically change the civil service system in confrontation with the Basic Law was clearly explained with only a few words. He said nothing of Chris Patten's "motive"; perhaps, he meant to leave it to the public to make their judgment!

Chris Patten said that "we reiterate that civil servants will maintain political neutrality in the future as well as today" in defending his advocating civil servants' participation in politics. Obviously, he was resorting to sophistry in self-justification but also exposing himself unwittingly while trying to cover up the tricks.

As everyone knows, in advocating civil servants' participation in politics, Chris Patten refers to first, allowing civil servants to participate in political parties; and second, civil servants will be included in functional groups to participate in the elections for the Legislative Council [Legco]. Acting in accordance with such practice, will it be possible to maintain the "political neutrality" of civil servants? Should civil servants participate in some political parties, conflicts would rise when they handle the relations between political parties and the government, between group interests and the interests of the whole. Inevitably, priority would be given to loyalty to the political party and not responsibility to the government. Political parties would be contending for power and interests and not subject to and rendering service to the interests of the whole. Under such circumstances, could there be any neutrality and fairness of which to speak? Should civil servants participate in Legco elections as a functional group, inevitably they would speak on behalf of the organization of civil servants; then they would act as the law-enforcer and the supervisor, two contradictory roles at the same time. How can this ensure neutrality and fairness? Should civil servants participate in politics, this would inevitably lead to the disintegration of the rank and file of civil servants and the surfacing of numerous factions along with many contradictions; thus, a sound and effective civil service system is likely to go down the drain.

Hong Kong residents hope for stability and fear shock resulting from sudden change the most. They always hope that civil servants will render service to Hong Kong residents under such a skillful and highly efficient system and hope that they will work and live in a stable and harmonious environment. Should the civil service system undergo a radical change with disintegration of the rank and file of civil servants, there would be no assurance of Hong Kong's economic prosperity and social peace and tranquility. Here lies the cause of the majority of Hong Kong residents opposing civil servants participating in politics.

The British Hong Kong authorities have now cited data in an attempt to prove the necessity for civil servants to participate in politics. However, the results run counter to their desire and have precisely explained many issues that Chris Patten had no desire to touch upon, namely, the internal guidance of the British Hong Kong authorities on civil servants participating in politics was conducted in secret behind the backs of the Chinese side and the Hong Kong residents. Why should they fail to negotiate with the Chinese side on such an important issue? Since eight of the 21 functional constituencies in Legco already include a considerable number of civil servants, and in some groups the number of civil servants exceeds 50 percent, why should another separate functional constituency of civil servants be set up? Civil servants participated in the 1990 election as constituents from the professional circles or strata but not as a functional group of civil servants; how could this be served as grounds for the necessity to set up a functional group of civil servants? A Hong Kong Government official said that a 1990 regulation stipulated that should a civil servant run for election, he must resign before the election takes place. We should like to ask: When a civil servant resigns, is he still in the category of civil servants? Is it possible to explain that civil servants always participated in elections in the past on the grounds that some civil servants ran for election after their resignation? It is all the more ridiculous that the British Hong Kong authorities should attempt to prove the correctness of civil servants participating in politics on the grounds that Chris Patten had included the 180,000 civil servants in the constituents from "the public, social, and individual services circles" in his policy address. If anyone can prove the correctness of his own speeches and action, there would be no lies or absurdities in the world and, naturally, there would be only truth. It seems the very eloquent Chris Patten is after all a very poor debater.

It is noticed that Chris Patten's farce of advocating civil servants participating in politics opened under the background that the broad masses of civil servants had strongly protested against the Hong Kong Government's sudden decision to allow expatriate civil servants to switch to local terms, and were actively ready to lodge complaints against the British Hong Kong Government. People have every reason to doubt that aside from his attempt to radically change the civil service system to create confusion and seek space in chaos, Chris Patten is thinking of killing two birds with one stone, namely, throwing the ball of the fire of the civil servants at the Chinese side and sow discord

among the civil servants against the Chinese side; and to appease local civil servants, allowing them to participate in politics in exchange for expatriate civil servants switching to local terms.

Practice will answer Chris Patten with an old Chinese saying: To lift a rock only to drop it on one's own feet.

Hong Kong XINHUA Officials on Talks

HK0909102193 Hong Kong TA KUNG PAO in Chinese
9 Sep 93 p 2

[Report: "Zhou Nan Looks Forward to Progress in Talks, Zhang Junsheng Criticizes Britain For Not Returning to the Basis of Three Conformities"]

[Text] On a public occasion yesterday, Zhou Nan, director of the Hong Kong Branch of the Xinhua News Agency, stated: On the issue of Sino-British talks, now that the Chinese side has participated in the talks and both sides have affirmed that the talks should be conducted on the basis of the three conformities, naturally, the Chinese side hopes that the talks will make progress and ultimately achieve a satisfactory agreement which accords with the three conformities.

He went on to say: However, to achieve that both sides should make concerted efforts and express the greatest sincerity. In this way, a satisfactory outcome can be achieved.

According to another news account, yesterday (8 September), Zhang Junsheng, deputy director of the Hong Kong Branch of the Xinhua News Agency, pointed out: As far as the Sino-British talks on the 1994-95 electoral arrangements are concerned, to date the British side has not earnestly returned to the basis of the three conformities, and so the talks have all along been unable to reach any agreement. Now, it has put forth, with ulterior motives, the question of civil servants joining political parties. It is precisely as the saying goes: "Hardly has one wave subsided when another rises." He hoped that Chris Patten would not "always play new tricks and provoke contradictions and controversies" for the sake of Hong Kong's smooth transition.

When asked of the progress of Sino-British talks, Zheng Junsheng, who attended a cocktail party in celebration of the WEN WEI PO founding anniversary yesterday, said: The British side agreed to the three principles at the beginning, but in reality deviated from them when specific issues were discussed, there would be no way for the discussion to go on. When it comes to the talks, so far the British side has not earnestly returned to the basis of the three conformities, and so the talks have all along been unable to reach any agreement.

He went on to say: Eleven rounds of talks have been conducted. When both sides have not been able to reach any agreement on the issues, a question of civil servants participating in government and joining political organizations and political parties has been floated. It is precisely as the saying goes: "Hardly has one wave subsided when another rises."

He hoped that in the remaining 1,392 days before Hong Kong returns to China, which resumes sovereignty over the former, and Britain hands Hong Kong over to China, Patten would not "always play new tricks and provoke contradictions and controversies." If he really proceeds from safeguarding the interests of the Hong Kong residents and also the interests of Britain, he must return to Sino-British cooperation, namely, the basis of the Sino-British Joint Declaration, convergence with the Basic Law, and the understandings and agreements China and Britain reached in the past, strengthen cooperation and consultations between the two countries, and maintain Hong Kong's social stability and economic prosperity in the later transition period and its future smooth transition. He said: "Patten said that other people had ulterior motives, and I say that it may probably be he who has the ulterior motives. You can see every contradiction and controversy of this kind was proved by him."

On the "through train" issue, Zhang Junsheng pointed out: For the 1995 election of the Legislative Council to conform to the Sino-British Joint Declaration, the convergence with the Basic Law, and the understandings and agreements China and Britain had reached in the past, naturally, the elected people must conform to the Basic Law and the relevant stipulations of the Standing Committee of the NPC and get the confirmation of the Preparatory Committee of the Hong Kong Special Administrative Region, a committee to be set up in 1996, and will be able to become members of the special administrative region's first Legislative Council. But, now the entire electoral arrangements are in violation of these requirements. He asked in reply: "How can the train go through? First of all, it is necessary to return to principles with which the election must be in keeping."

He also stated: As far as individual persons are concerned, they will be confirmed in the future by the Preparatory Committee in accordance with the resolution of the Standing Committee of the NPC. This is what the "through train" really means. Therefore, in a broad sense, the current Sino-British talks are precisely aimed at restoring the through train. If the principles are violated, there will definitely be no way for the through train to go through.

Asked if the talks on the airport issue could be affected by the issue of political structure, Zhang Junsheng said: This problem was caused by the British side's failure to act in strict accordance with the Memorandum of Understanding. Of course, airport and political structure are two separate issues. The talks on the former should return to the basis of the Memorandum of Understanding and the talks on the latter should return to the basis of the three conformities.

When asked by a correspondent about the Chai Yao-chang case, Zhang Junsheng said: To a young man, when he did something wrong and committed a mistake, he must make amends. It is no good for him to refuse to make amends if he does something wrong and commits a mistake.

'Sources': PLA Has 'Practical Need' for HK Land*HK0409040493 Hong Kong SOUTH CHINA
MORNING POST in English 4 Sep 93 p 2*

[Report by Chris Yeung]

[Text] China has insisted that the Prince of Wales Building barracks site, including an adjacent piece of land, be handed over to the People's Liberation Army (PLA) stationed in Hong Kong after 1997, it was learned yesterday. Sources said Beijing would not agree to the western part of the HMS Tamar naval site being redeveloped because there was a "practical need" for the PLA to keep the piece of land adjacent to the building, which will house the PLA headquarters.

The adjacent site was one of the sticking points at the two-day meeting of Sino-British Joint Liaison Group (JLG) defence experts, which ended yesterday without agreement.

The sources said the two sides were trying to resolve outstanding issues in the handover of military sites before the JLG full session scheduled to be held in about 10 days in Beijing.

"We've made good progress for this round of talks but we have not yet reached a general agreement," British team leader Alan Paul said. "Our objective is to secure the release of as many sites as possible for Hong Kong's social and economic development, while catering for the requirements of the future Chinese garrison," he said.

A mainland official maintained that the demands for military sites were not excessive. China was asking for "substantially less" than what existed at present. "We have not asked for too many things. We adopted a reasonable attitude over the handover of military facilities," he said.

The source said there would not be a large PLA base at Chek Lap Kok airport. He said the Chinese side wanted to have facilities for the PLA air force similar to that for the Royal Air Force at Kai Tak. The RAF has an office at Kai Tak.

It is understood that the Chinese side also demanded pier facilities for the PLA navy on the Central and Wan Chai reclamation site. The source said Beijing wanted the United Services Recreation Club in Gascoigne Road to be handed back to the Special Administrative Region (SAR) because it was "part of the Gun Club Hill Barracks".

In a related development, the Mirror Monthly said the size of PLA deployment in the SAR should be "around 7,000". It said although one division of soldiers would be sent to the SAR, the size of the division would be less than the 10,000 a division generally comprised.

The report said the PLA was unlikely to recruit civilian staff here. The army would handle its own logistical matters, including supplies, transport and medical facilities. It said the PLA would also strictly limit the number of family members of its officers to be settled in the SAR.

Beijing Considering Passports for CI Holders*HK0909104693 Hong Kong WEN WEI PO in Chinese
9 Sep 93 p 9*

[Report: "China Considers Issuing Chinese Passports to Hong Kong People Before 1997"]

[Text] A delegation of Hong Kong's Liberal Democratic Federation (LDF) finished its six-day visit to Beijing and returned to Hong Kong yesterday. Members of the delegation relayed the Chinese side's promise of guaranteeing Hong Kong people's freedom of leaving and entering Hong Kong after 1997. They said that the Chinese authorities are considering issuing Chinese passports to 2 million CI [certificate of identification] holders in Hong Kong and other people who need travel documents before 1997.

Wong Shiu-yi, a member of the LDF delegation, yesterday told reporters at the airport that during their visit to Beijing, a delegation member asked Qian Qichen, vice premier and foreign minister, and Lu Ping, Hong Kong and Macao Affairs Office director, about Hong Kong people's overseas travel after 1997. Wong Shiu-yi relayed Lu Ping's three-point promise to Hong Kong people: First, Hong Kong people will continue to enjoy freedom of entry and exit after 1997; second, maintenance of the current effective travel policies; and third, the Chinese side will prepare to issue travel documents before 1997. Wong Shiu-yi said that the Chinese authorities are considering the issuance of the PRC passports to 2 million CI holders in Hong Kong and other people who need such passports before 1997. The Chinese Foreign Ministry is also considering the action of including Hong Kong residents' reentry rules in the British Nationals (Overseas) Passports through the Sino-British Joint Liaison Group.

During their visit, LDF members met with Qian Qichen; Wang Hanbin, vice chairman of the National People's Congress; Wang Zhaoguo, director of United Front Work Department; Lu Ping; Chen Ziyang, deputy director of the Hong Kong and Macao Affairs Office; and some mainland members of the Preliminary Work Committee. Wong Chi-keung, a member of the LDF delegation, said that the meetings with the Chinese officials left him with the impression that the Chinese side was not optimistic about the Sino-British talks because major and substantial differences existed between the two sides on a series of issues concerning election arrangements, including elections for functional constituencies and the "through train" issue.

The LDF delegation also expressed to the Chinese side their opinions about China's judicial procedures and real estate laws and regulations, which many people in Hong Kong are concerned about.

Preliminary SAR Economic Work Group Defines Mission*HK0909134993 Beijing XINHUA Hong Kong Service in Chinese 0934 GMT 04 Sep 93*

[By correspondents Gao Jianxin (7559 1696 2450) and Li Zehong (2621 3419 4767): "The Economic Ad Hoc Group of the Preliminary Work Committee of the Preparatory

Committee of the Hong Kong Special Administrative Region Concludes Its First Meeting"]

[Text] Beijing, 4 Sep (XINHUA)—The first group meeting of the Economic Ad Hoc Group of the Preliminary Work Committee of the Preparatory Committee of the Hong Kong Special Administrative Region [SAR] concluded here today.

The group leaders, Gao Shangquan and Fong Wong Kut-man, told reporters that during the meeting that lasted two days, members held heated discussions and reached initial agreement on the specific missions of the Economic Ad Hoc Group in light of the duties and mission of the Preliminary Work Committee and in accordance with pertinent provisions of the Basic Law.

Gao Shangquan said: The contents of the group's work plan focused on making suggestions and proposals in regard to the following issues:

1. Large capital construction projects that will straddle 1997, for which the Hong Kong SAR Government should undertake responsibility and obligations, and by which Hong Kong's economy will be considerably affected after 1997.
2. The issue of important franchises and contracts that will straddle 1997, in which the vital economic interests of the Hong Kong SAR will be involved, and of the general government contracts that will still be in force after 1997.
3. The issue of converging the British Hong Kong Government's monetary policies in the latter half of the transition period with the Basic Law, of taking over and managing the land funds, and of taking over and using the financial reserves.
4. The way to reflect smooth transition in the value of the Hong Kong dollar and the financial system, and arrangements for the takeover and management of foreign exchange funds.
5. The proposition of revised opinion on those parts of the existing Hong Kong economic and financial laws that contravene the Basic Law.
6. The issue of promoting the overall planning, coordination, and development of large capital construction that is directly related to Hong Kong and the Chinese mainland, and suggestions on the policies of two-way investment in these two areas after 1997.

7. The issue and countermeasures for the sales and proprietary rights transfers of major government assets during the transition period.

It is reported that the members also reached a consensus on measures to handle conflicts of interest that may arise between individual members and certain matters under discussion.

The meeting decided that the second meeting of the Economic Ad Hoc Group will be held in Beijing on 5-6 November.

More Funds Allocated for Beijing-Kowloon Railway

OW1009075393 Beijing XINHUA in English 0739
GMT 10 Sep 93

[Text] Beijing, September 10 (XINHUA)—The related departments have decided to increase this year's funding for the Jing-Jiu (Beijing-Kowloon) railway construction project from the planned 5.2 billion yuan to about 7.2 billion yuan.

The project is one of the country's key construction projects during the Eighth Five-Year Plan (1991-1995). Its construction has been progressing far ahead of schedule.

The latest statistics from the Ministry of Railways show that by the end of August the project had consumed 5.07 billion yuan, of which 4.535 billion yuan was used in the first eight months of this year, accounting for 70.5 percent of this year's quota.

According to the statistics, so far 63.45 million cu m of earth and stone have been shifted, accounting for 26 percent of the total designed volume. Also finished are 49,439 m of bridges, 30 percent of the total, and 2,345 m of tunnels, four percent of the total.

Sources at the ministry said the Chinese State Council has paid great attention and given full support to the project, with preferential policies drafted and materials and funds guaranteed.

At present some 110,000 people are working on the line, according to the sources.

The railway will have a total length of 2,370 km. Its construction started late last year and will be opened to traffic at the end of 1995.

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